OFFICE OF THE HIGH COMMISSIONER FOR INDIA

REPORT

on the work of the

INDIAN GOVERNMENT TRADE COMMISSIONER, HAMBURG,

during 1932-33

By

S N GUPTA, Esq, ICS

LONDON
1933

PRICE 2/8

OFFICE OF THE HIGH COMMISSIONER FOR INDIA.

INDIA HOUSE, ALDWYCH,
LONDON, W.C.2.

No. T. 85994.

1st *August*, 1933.

From: The High Commissioner for India,
London.

To: The Secretary to the Government of India,
Department of Commerce,
Simla.

SIR,

I am directed by the High Commissioner to forward herewith, for the information of the Government of India, a report by Mr. S. N. Gupta, I.C.S., Indian Trade Commissioner at Hamburg, on the work of his office during the year ended 31st March, 1933.

2. In my letter dated 14th September, 1932, which forwarded Mr. Gupta's previous report, it was indicated that owing to the various reactions of the economic depression on European trade official Trade Commissioners in the affected areas could hope to achieve no sensational results, but had to rest satisfied if they could prepare the ground against better times. It is unfortunately obvious from Mr. Gupta's report that, not only are times still out of joint, but that trade barriers have grown higher, and that country is entrenching against country by tariffs, by import quotas, by exchange control systems, and, in short, by all the devices by which it is contemplated that national self-sufficiency can be promoted. The flow of international trade has been partially dammed, and until the sluices are open more widely, India's export trade to the Continent of Europe can scarcely expand, and indeed can maintain only with difficulty its present volume.

3. In his report the Trade Commissioner both surveys the general prospect and comments on the fortunes of individual commodities. As, however, conditions of trade are so abnormal, the High Commissioner feels that it would be of little avail to review in this letter the facts, figures, and deductions presented by Mr. Gupta.

4. Sir B. N. Mitra desires me again to express his opinion that the Trade Commissioner's office at Hamburg is fulfilling a useful purpose, to put on record his appreciation of Mr. Gupta's services, and to express his concurrence in the acknowledgments made by Mr. Gupta to all those who have helped him in the discharge of his duties.

I have the honour to be, Sir,

Your most obedient Servant,

A. M. GREEN,

Deputy High Commissioner.

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ANNUAL REPORT OF THE INDIAN GOVERNMENT TRADE COMMISSIONER, HAMBURG, 1932-33.

Chapter I.—Organisation and Functions.

The year under review is the second year of the office of the Trade Commissioner at Hamburg, and the present report is the second one which I have written. I held the post of Trade Commissioner from 1st April, 1932, to 31st December, 1932, on which date I handed over charge of my office and proceeded to India on leave of absence for three months. Mr. C. O Moeder, the Chief Clerk of the Office, performed the duties of the Trade Commissioner from 1st January, 1933, till the arrival of Mr H S Malik, I C S., Deputy Trade Commissioner, London, on the 17th January Mr. Malik officiated as Trade Commissioner for the remainder of the period under review. The office continues to be located at Neuer Jungfernstieg No. 9, Hamburg, and all letters and communications intended for the Indian Government Trade Commissioner should be forwarded to this address.

During the year I visited the following places within my jurisdiction on official duty: Antwerp, Rotterdam, Berlin, Brussels, Paris and Prague. Antwerp, Rotterdam and Berlin were visited more than once, as the first two places are important centres for Indian trade, and as to Berlin, it is essential that the Trade Commissioner should be in close touch with the Commercial Secretariat of the British Embassy there, the advice and assistance of the Commercial Counsellor and the Commercial Secretary in Berlin being indispensable in many important matters. Mr Malik paid visits to Berlin and Leipzig while he was at Hamburg

The office of the Trade Commissioner performs the following main duties.—

(i) It attends to enquiries received from exporters in India regarding markets for goods, introductions to Continental importers, testing of samples, and market and general information.

(ii) It deals with enquiries received from Continental importers regarding introductions to exporters in India, commercial and general information on markets, specific commodities, etc.

(iii) It assists Indian importers who are desirous of getting into connections with Continental manufacturers and exporters of finished goods, provided such goods are not in competition with similar goods of Indian manufacture.

(iv) It maintains up-to-date registers and reliable Continental importers, [illegible]

Continental manufacturers and exporters, for the purpose of dealing with enquiries under (i), (ii) and (iii).

(v) It participates in trade fairs, maintains a permanent exhibition of Indian products and manufactures, and a library of commercial publications, and performs general publicity work by way of photographs, lantern slides, pamphlets and press interviews.

(vi) It furnishes reports to Government departments and offices in India who seek its assistance on various matters connected with commerce and trade. Weekly and quarterly reports are also sent to the Director-General of Commercial Intelligence and Statistics, Calcutta, the latter being published in the "Indian Trade Journal."

(vii) It deals with "Claims" cases and trade disputes generally between Continental importers and Indian exporters.

The attention of exporters and importers in India is again drawn to the fact that trade enquiries should in the first instance be addressed to the Director-General of Commercial Intelligence, Calcutta, through whose office replies to all enquiries under (i) and (iii) above are forwarded. The Director-General thus has, in most cases, the information which the enquirer in India wants, and the latter will save much time if he applies first to the Commercial Intelligence office in Calcutta. Continental manufacturers and exporters are advised to apply to their respective consular officers in India for advice, assistance and information, as the Trade Commissioner has no authority to intervene in matters outside his jurisdiction. Indian manufacturers and shippers are especially invited to peruse and consider the chapter in this report on the Leipzig Fair and Publicity work in general with a view to even closer and friendlier co-operation with this office in the future.

My office was inspected in November, 1932, by Mr. H. A. F. Lindsay, C.I.E., I.C.S., Indian Trade Commissioner, London, on behalf of the High Commissioner for India.

Chapter II.—Trade Developments and Tendencies.

The world depression continued with unabated force throughout the full period of the year under review. It will be recalled that after the devaluation of the pound sterling in September, 1931, the "Sterling" prices of commodities advanced at once and remained on a higher level for a few months as compared with the period immediately preceding devaluation. But the

effect of this impetus on commodity prices was short-lived and from about the end of February, 1932, prices again resumed their downward tendency In April, 1932, the commencement of the review year, this decline was in full swing The prices of [illegible] our principal Indian commodities participated in this [illegible] jute, cotton, hemp, oilseeds, oilcakes, hides and skins, [illegible] other commodities were all quoted at lower prices at [illegible] than they had been for the previous six months. This downward movement was, however, checked in July, 1932, and [illegible] of four months commodity values actually rose [illegible] The increase in prices which occurred during the months of July, August, September and October was clearly the result of the confidence inspired by the successful [illegible] Conference on Reparations in July Another contributory cause to the partial recovery of prices at this period was the [illegible] measures initiated in America during the first half of the year These measures succeeded in breaking down to some extent the "psychology of fear" which has been such a prominent feature of American financial life since the Wall Street disasters of 1929

Unfortunately, this "recovery" of prices turned out to be purely temporary and in November, 1932, prices again resumed their downward movement, and by the end of December [illegible] ground that had with such difficulty been regained was [illegible] lost For the remainder of the year [illegible] prices either declined still further or [illegible] depressingly low levels

The outstanding feature of the world [illegible] fall in wholesale prices, more especially in the prices of [illegible] commodities The extent of the fall in [illegible] years will be realised from the fact that during this [illegible] short period commodity values have fallen [illegible] approximately 45 to 50% In the ten years before [illegible] total change in gold prices was only about 15, [illegible] then moving upwards The causes of this [illegible] prices are by now historical While the whole world [illegible] the gold standard after 1925, the world stock of [illegible] rapidly decreased due to its accumulation in the [illegible] countries which had acquired large international [illegible] as a result of the post war financial settlement [illegible] creditor countries ceased to lend to the debtor coun[illegible] of gold was acutely felt the purchasing [illegible] steeply in consequence and commodity [illegible] in proportion In the ensuing [illegible] countries progressively adopted [illegible] the effects on their national [illegible] of prices These measures while [illegible] viz, the maintenance o[illegible]

served in the long run to aggravate the disease they were intended to remedy. Tariff barriers, import quotas, licences and prohibitions, exchange controls and a variety of similar devices, joined to complete the chaos started by the fall of commodity prices, and it is estimated that by the end of the period under review international trade had shrunk to a third of its normal size. Falling prices and a falling demand invariably go together, and it was inevitable that the virtual closure of markets should produce further unfavourable effects on prices which were already depressed.

A considerable rise in wholesale prices is absolutely essential to any world recovery. It will be recalled that the Empire Governments assembled at Ottawa subscribed to the following resolution: "A rise throughout the world in the general levels of wholesale prices is in the highest degree desirable. The evil of falling prices must be attacked by Government and individual action in all its causes, which are political, economic, financial or monetary. For dealing with the problem in its widest aspect, the Governments represented at this Conference record their conviction that international action is urgently necessary, and announce their desire to co-operate with other nations in any practicable measures for raising wholesale prices." The Preparatory Committee of Experts charged with the work of framing the agenda of the World Economic Conference expressed themselves in almost identical terms in regard to the urgent necessity of a rise in wholesale prices, if an improvement in world trade and finance was to take place. It is not the function of this Report to examine in detail the various schemes put forward for the attainment of this object. It is sufficient here to mention that a great weight of responsible opinion inclines to the belief that the pursuit of a policy of cheap and plentiful money on the part of the Central Banks together with an extension of "open market operations" would have a valuable influence in the direction of raising wholesale prices. At the same time it is fallacious to assume that monetary action alone will help to adjust prices, as the causes which have depressed prices are, to use the Ottawa phraseology, "political, economic, financial and monetary." Concurrently with monetary action, reforms in the political, economic and financial spheres will be necessary if the desired adjustment of the price level is to attain some measure of stability. A constantly fluctuating price level is the worst enemy of both producer and manufacturer, playing havoc with latter's calculation of costs and turning the former's hopes of profit into unexpected loss. The lowering of tariff walls and the removal of the present barriers to international trade—import quotas and licences and exchange controls—will go far towards restoring the free flow of trade between country and country which is so essential to a real and permanent recovery of wholesale prices.

The progressive deterioration in the condition of the agricultural countries of Eastern Europe had for some time past given cause for anxiety and in April 1932 a Conference was convened in London for the exploration of ways and means to ease the situation in that part of the world. A loose economic federation of the "Danubian" countries within which these countries should help each other by the partial removal of trade barriers was mooted at the Conference but no final decision was taken. The threads were picked up again three months later at the Lausanne Conference where a resolution was passed recommending to the Conference that a Committee of Government representatives should be set up to consider the group of questions known as "non-German reparations" and cognate questions. In conformity with this resolution the Stresa Conference assembled in September 1932 to discuss the financial, economic and agrarian situation of the States in Central and South Eastern Europe. Previous to the Stresa meeting the eight agrarian countries of that part of Europe had met in Warsaw and agreed on the following points: —

(i) Progressive suppression of trade obstacles.

(ii) The assignment by the creditor States to the debtor States of import quotas to allow the latter to discharge their debts.

(iii) Customs preferences in favour of the agricultural products of the participating States.

(iv) The raising of the prices of agricultural products by means of an improved organisation of the consuming market.

The Stresa Conference after the discussion of various proposals adopted a draft Convention on the following lines. The countries exporting wheat, barley and maize will be granted facilities on their exports up to a limit of a total tonnage equal to the average of their exports in the years *1929-31*. Those adhering to the Convention will contribute annually to a common reconstruction fund a sum to be fixed, those States importing cereals from Central and Eastern Europe paying reduced contributions. The Convention would be applied through a Committee composed of representatives adhering to the Convention, two representatives of *non-importing* countries and two representatives of overseas countries. This Committee would (1) fix the quantity of cereals to be sold by the agrarian countries, (2) grant at the beginning of the agricultural year advances on the sums that *exporting* countries are to receive on their produce exports, (3) examine agreements concluded and to be concluded and to see that these had not a preferential character, and (4) keep a watch over the use made by agrarian countries of the sums received. As a counter-concession for the advantages grant[ed] agrarian

countries, these should pledge themselves to lower their customs duties: the countries enjoying most favoured nation treatment would also avail themselves of these lower duties. The Convention would be ratified and last till October, 1935, unless terminated earlier by common agreement. From the financial point of view the Stresa Conference recommended strict attention to the balancing of budgets, the following of a strict credit policy, and the adaptation by each State of the national life to the new conditions created by the fall in prices and the withdrawal of capital. Further recommendations were also made in regard to both short and long term debts of the Central and Eastern European countries. The Stresa Conference submitted the various proposals to the Organising Committee for European Union of the League of Nations. The Organising Committee set up a Committee of experts to examine the various resolutions and prepare a scheme for the reconstruction fund proposed at Stresa. The report of the expert Committee stated that it was difficult to foresee the situation which would arise when the preliminary conditions for the fund's operation had been fulfilled. Consequently the Committee did not consider it possible to undertake the detailed preparation of the scheme and suggested that many of the preliminary problems must be solved by the World Monetary and Economic Conference. This report has been circulated to members of the League of Nations, and will presumably figure in the agenda of the World Conference. The Stresa proposals are of the utmost importance to overseas agricultural countries, e.g., the Dominions and India, who are exporters of cereals and general produce. It will be necessary to watch very carefully the developments that are likely to arise when steps are taken to put these recommendations into practice, and the treaties envisaged in these proposals will need the special attention of overseas agricultural countries.

The outstanding event in the economic and financial sphere in Europe during the year was the Lausanne Conference in July, convened for the purpose of discussing the reparations payments made by Germany to the "allied" countries. Under the terms of the Agreement Germany is to deliver to the Bank for International Settlements Government 5% redeemable bonds to the amount of 3 milliard gold reichsmarks, but these bonds are not to be issued for at least three years, and only then if they can be placed at a price not less than 90: any bonds not so placed before the end of 15 years are to be cancelled. Mention has been made earlier in this chapter of the beneficial effects exerted on commodity prices by the successful outcome of the Conference, and it may well be that the future economic historian will regard the Agreement reached at Lausanne as a decisive turning point in the course of the world depression. A retrospective glance at post-war history and the important part played therein by Repara-

tions is sufficient to convince anyone of the magnitude of the advance made at Lausanne A year earlier the conclusion of such an Agreement would have been deemed impossible, and the rapidity with which public opinion has been influenced by the increasing severity of the economic and financial crisis is indicated by the fact that at Lausanne it was possible to persuade all the creditor countries to forego completely the rights assured to them in January, 1930 at the Hague, in respect of German Reparation Those rights included the payment by Germany of a series of annuities averaging roughly 1 900 millions of reichsmarks for a period of 58 years, but in less than 2½ years the Hague Agreement is to all intents and purposes a dead letter, and the Reparation question can now, as a result of the Lausanne Conference, be regarded as definitely closed It is true that the agreement reached at Lausanne is conditional upon the creditor Powers being successful in reaching a satisfactory settlement between themselves and their own creditors but in any case, fresh consultation between the Governments concerned has been provided for in the event of future difficulties

Concurrently with negotiations for the settlement of War Debt the end of the year 1932 witnessed the beginning of preparations for the World Economic Conference The League of Nations set up a Committee of Experts to prepare the way for the Conference This Committee issued in January 1933 a "draft annotated agenda" of subjects to be discussed at the Conference This report outlines the principal marks of the economic and financial crisis and draws conclusions and makes recommendations in a series of notes dealing with the whole field of economic financial and monetary problems confronting the world The Committee frankly recognises that two of the main problems awaiting solution are a rise in the level of wholesale prices and the general restoration of a free gold standard and make suggestions for the attainment of these objectives The Report also deals fully with the subsidiary questions of tariff wall exchange controls and import restrictions This document is a valuable contribution to the literature on the world crisis and will form one of the principal guides to the members of the World Economic Conference

During the year under review there has been a definite intensification of barriers to international trade in nearly every European country The administration of the exchange control system has been made much stricter in [illegible] already in force other countries have [illegible] the system for the further [illegible] The position has now been reached [illegible] is new business out of the question [illegible] permitted entry and even [illegible] quantities are so rationed [illegible] the import quota system has gained [illegible]

country. The list of commodities and manufactures to which the quota is applied has in most cases more than doubled in length. Countries which had hitherto confined the quota system to manufactured goods and agricultural commodities in competition with their own produce have now extended it so as to cover products which can in no sense be adjudged competitive. The import licence system goes hand-in-hand with the import quota and exchange control systems and is intended to reinforce the latter; it is to be found in combination with one or the other of these systems in several countries. The account of trade barriers is, however, not complete without mention of the fact that during the year a number of customs duties have been increased in most Continental countries. The safeguarding of the national economy has been the basic motive of the erection of these barriers against international trade, yet at the same time every measure that has the diminution of trade for its object tends to deepen and prolong the depression and thereby necessitates further measures, and so the vicious circle goes on. In these circumstances, special importance attaches to the Agreement initialled at Ouchy in June, 1932, whereby the Governments of Holland, Belgium and Luxemburg agreed to a progressive reduction of customs tariffs by 10% a year over a period of years. The Agreement was communicated to other countries. Several have given it encouragement while others have raised objections on the ground that the Agreement infringes the most favoured nation principle embodied in treaties to which the three participating countries are parties. Negotiations have been in progress on this matter during the latter half of the year under review and it is hoped in Belgian and Dutch circles that ratification of the Agreement will be effected at no distant date.

The internal situation in Germany has undergone a number of changes during the year, many of them being economic reactions to political events in the country. The financial and economic condition of Germany may be said to have settled down and a certain measure of stability and strength attained after the hectic occurrences of 1931. The banks and other financial institutions find themselves in a comparatively stronger position, though not without Government help and supervision; the price of that help has been a systematic reorganisation (Sanierung) which was probably much needed. The important German shipping companies have also been thoroughly reorganised and unnecessary competition and wastage eliminated. An undercurrent of hope has been noticeable in industry and commerce as compared with bleak despair in 1931. Manufacturers have of necessity been more willing to adjust costs to prices in the hope of retaining foreign and overseas markets, and merchants have displayed a little more confidence and activity in spite of adverse circumstances. The virtual cancellation of Reparations has played an important rôle

in creating a more hopeful feeling, and the strict administration of the country's financial and monetary policy by the Reichsbank has done much to instil confidence and security in the public mind The prolongation of the arrangements till February, 1933, in regard to Germany's private indebtedness has for the time being removed from the economic and financial sphere a possible source of danger and instability

In the beginning of the year under review the administration of the exchange control system was tightened up, steps being taken to remove all loopholes for escape The system has been made even more severe subsequently and merchants find it impossible to undertake new business for want of the allocation by the Reichsbank of the necessary foreign currency Every transaction, however small, is carefully watched and controlled The change of Government that took place in Germany in the month of June caused a number of reactions in the economic sphere The new Government in one of its first declarations of policy stated that the support and protection of home agriculture would be in the forefront of its programme Within a short time two laws were promulgated by ordinance which seriously affected imports of Indian produce into Germany The customs duty on unpolished rice for feeding purposes was raised from Rm 1 50 to Rm 2 50 per 100 Kilos It was explained that the importation of large quantities of fodder rice was having an injurious effect on home grown fodder prices, especially barley The raising of the duty on rice occurred in July At about the same time severe action was taken against the commodity known as Dari (the Indian Jowar or Javeree) The importation of dari was placed under the control of the Government Maize Monopoly Office and imports of dari declined heavily for the rest of the year The reason given for this action against dari was that phenomenally large imports for the purpose of cattle feeding were injuriously affecting home-grown cattle fodder and had therefore to be controlled Further details regarding dari will be found in a subsequent chapter

The new Government had also under contemplation the introduction of a regular system of import quotas to be applied to a variety of articles both manufactured and unmanufactured, and a list was at one time published under semi official authority of the goods to which the quota system was to be applied The following commodities in which India is interested, appeared on the list Timber, rice by-products (including rice bran), hides and skins, guts and casings For various reasons however, the idea of imposing a quota system was eventually abandoned But in December, quite suddenly and unexpectedly, the Government monopoly system was extended to all rice (both polished and unpolished), rice products (including bran) and all cattle feeding stuffs Heavy "monopoly" supercharges were imposed on rice, rice products and other stuffs intended for cattle-feed[illegible]

intention of virtually putting a stop to all imports of cattle fodder. The whole aim of recent agricultural legislation has been the protection of the German farmer and the maintenance of prices of agricultural produce of all sorts at levels sufficiently high to remunerate him. All other interests have been subordinated to this cardinal point of German policy. Details of the rice monopoly are furnished in later pages of this Report. It is no exaggeration to say that it has dealt a severe blow to the rice and rice bran trade of Burma, as these commodities form a substantial portion of Burma's exports to Europe, where Germany has hitherto been the chief buyer of rice and rice products.

The "National Revolution" in Germany, of February, 1933, has further intensified the "self-sufficient" character of economic policy in this country. The late Government, which was displaced in February, had under contemplation the passage of a decree restricting the manufacture of margarine, edible fats and oils, and vegetable fats generally, compelling German oil-mills to use home produced oilseeds more extensively and margarine manufacturers to mix butter with margarine. The purpose of this contemplated decree was the reduction of imports of foreign produce in favour of home produced oilseeds and animal fats, including butter. The Government was dissolved before the decree could be passed into law, but the present Government enacted at the end of March a rather more drastic decree bringing all imported oils, oilseeds, oilcakes and imported margarine within the Government monopoly system. The new law came into force after the close of the year under review, and details of the enactment are therefore held over for the next annual report.

Chapter III.—Commodities.

This chapter is devoted to an examination of the main items of India's trade with northern European countries, commodity by commodity. The principal features of this trade during the year under review are set out together with a reference to some of the enquiries received for each commodity. Appendices A I and II contain statistics of the imports into Germany of the principal Indian commodities. The statistics are in doppelzentners and it may be of use to know that 10 doppelzentners are equivalent to 1 metric ton.

JUTE.

The demand for raw jute during 1931-32 was, on the whole, well maintained in most of the countries as compared with the previous year, though, of course, the quantities are much below the import figures of normal years before the depression. This, however, is unavoidable, for the prosperity of the jute trade is

directly dependent on prosperity in other trades, for which it acts as a carrier Imports into Germany during 1932 amounted to 759,384 doppelzentners (10 dz = 1 metric ton) as compared with 834,578 dz in 1931, a decrease of about 10% This is not unsatisfactory in the face of continuing depression and exchange restrictions It will be noted from Appendix A II that imports during the quarter January to March, 1933, were 275,960 dz as compared with 202,115 dz for the corresponding period of 1932 These figures reflect the increased activity which was a feature of the jute market in the early part of 1933 Holland and France heavily increased their consumption of raw jute as compared with the previous year, the former by as much as 50% and the latter by 40% Belgium, however decreased her imports by 20%

The final forecast of the jute crop in September, 1932, as given by the Agricultural Department in Bengal, was 5,844,600 bales as against 5 566,500 bales in 1931 But subsequent statistics show that between the 1st July, 1932 and the middle of June 1933, 7 014,136 bales were either exported or consumed locally The carry-over from the previous year has, of course to be reckoned with as an important factor in this connection The 1932 crop was forecasted as a small one, but the stock report showed a large balance yet to come forward on to the market and hence the jute market experienced a set back in prices in spite of a small crop forecast Another factor which often exercises a contrary influence on prices in spite of crop forecast figures is the "Phatka' market in Calcutta It sometimes happens that even when the crop is reported to be a small one, speculators in that market come out as sellers, and this puts a check on the rise of the ordinary market which would otherwise have improved on the report of a small crop

There was a substantial falling off in the German consumption of jute bags from India, 5 251 dz in 1932 as compared with 10 949 dz in the previous year The decrease was largely due to a considerable falling off in the exports of German agricultural produce to foreign countries, especially England, which now imposes duties against the dumping of foreign agricultural produce, such as wheat, barley potatoes, etc The German jute mills were also more active in the manufacture of bags at home It may be mentioned here that there is a notable discrepancy between the German statistical figures of consumption and the figures of jute bag exports to Germany contained in the Sea Borne Trade Accounts published by the Commercial Intelligence Department in India The latter figures disclose a very large increase in the export of jute bags to Germany during 1932 as compared with 1931 It must, however, be borne in mind that the German figures are figures of actual internal consumption, while the Indian figures represent total shipments to Germany Large consi n

ments destined both for subsequent consumption and re-export to other countries are warehoused throughout the year in the "free harbour zone" of Hamburg harbour. For customs purposes all merchandise lying in the free harbour is not considered as having entered Germany and liable to duty. Hence the Indian statistics cover shipments which may not have entered into consumption during the year as also shipments which, consigned originally to Germany, may be diverted subsequently to other countries.

There was a considerable increase in the imports of jute bags into Germany during the last quarter of the year under review (January-March, 1933). Imports rose to 14,182 dz. as compared with only 2,745 dz. during January-March, 1932. India, however, contributed only 1,203 dz. towards the total increase of 11,437 dz. Holland and Belgium between them were responsible for over 6,000 dz. of the total increase. Indian imports for this period rose from 1,246 dz. to 2,449 dz. Holland, Belgium and France maintained their demand for jute bags more or less as compared with the previous year, but Norway's takings fell off considerably. In regard to jute cloth, it will be seen that Germany's consumption of sacking cloth went down by half in 1932 as compared with 1931, while her demand for other sorts of jute cloth increased considerably. Holland and Czechoslovakia appear to have shared the sacking cloth trade with India, imports into Germany from Holland being greater than imports from India. In the first three months of 1933 Dutch sacking cloth entirely overshadowed sacking cloth from India, imports from Holland accounting for over 3,000 dz. as compared with only 504 dz. from India. Other varieties of jute cloth are imported mainly from India.

The following enquiries from among those received may be mentioned: A shipper in Calcutta of raw jute was put in touch with firms in Antwerp, Rotterdam and Copenhagen. An Austrian firm was introduced to exporters of cloth suitable for use in furniture upholstery. A Calcutta jute exporter wanted to be put in touch with importers of Hessian gunny bags in Oslo, Norway. Names of importing firms interested in the enquiry were forwarded to Calcutta. The Director of Industries [illegible] al wanted information about possible new uses for ju[illegible] any. Enq[illegible] were made on his behalf from indu[illegible] ons a[illegible] replies were sent out to him. A firm [illegible] d [illegible] agent for a Calcutta shipper of raw [illegible] names of two sh[illegible]s interested in the firm. During [illegible] uarter of 1933 a effect that P[illegible] drastically re[illegible] jute. Enqui[illegible] n Poland a[illegible] ascertained a[illegible] the India[illegible] London, for hi[illegible] e followin[illegible] jute imports int[illegible] en for

February and March 1933 as compared with the corresponding months in 1932 and 1931 —

	1933	193	1931
	Bales	Bales	Bales
January	52 248	104 649	85 797
February	59 337	51 801	53 492
March	43 265	17 691	61 571

Cotton

The consumption of Indian cotton in Germany decreased heavily in 1932 as compared with 1931 imports falling from 200 914 bales to 113 179 bales Holland and Belgium however slightly increased their takings of Indian cotton as compared with the previous year while imports into France increased by as much as 50% It will be seen from the statistics at Appendix A I that Germany's increased imports of American cotton in 1932 more than compensated for her smaller takings of Indian cotton The position of Indian cotton *vis a vis* American in Germany in 1932 was in all probability partly due to the negotiations that have been in progress between Germany and America for some time past for large scale purchases of American cotton but more particularly to the narrowing of the gap between the prices of Indian cotton and those of American (In 1931 American prices were much higher than Indian prices whereas in 1932 Indian prices went up due to the smallness of the cotton crop in India and the increased demand for cotton in India itself and were above world parity for a large part of the year Bombay shippers are among the first to admit that there can be no real improvement in the exports of Indian cotton to Europe so long as Indian prices remain above world parity) It will be seen from the statistics in Appendix A II that for the period January March 1933 imports of Indian cotton increased to 38 114 bales as compared with 35 362 bales for the same period in 1932 whereas American cotton imports receded to a certain extent It may be of interest to mention that attempts on the part of various authorities to effect bulk purchases of cotton from other countries have hitherto been strenuously opposed by Hamburg and Bremen merchants on the ground that a reduction in the imports of Indian cotton would impair the technical organisation of German mills as they are intended to consume a fixed ratio of short staple Indian cotton In a subsequent chapter of this Report will be found details of an enquiry received from the Indian Central Cotton Committee with regard to the position of Indian cotton in Germany

A firm in Bombay wanted to be put in touch with [illegible] Hamburg Bremen and Rotterdam Enquiries were [illegible]

the names of interested importers in the three places were forwarded to India. A cotton waste shipper in Bombay was put in touch with importers in Hamburg. A firm in Czechoslovakia, which desired to act as representatives for Indian firms, was introduced to a shipper in Bombay and one in Karachi. An importer in Rotterdam was introduced to shippers in Karachi. A dealer in fancy goods in Austria was put in touch with exporters of printed cotton bedspreads in Delhi and the U.P. The Indian Central Cotton Committee and the Director of Agriculture, Madras, sent representative collections of Indian cottons for display at the Leipzig Fair. These were on exhibit at Leipzig and attracted much interest. They now form part of the permanent exhibition in this office.

Hemp.

Imports of Indian hemp into Germany increased from 4,770 dz. in 1931 to 17,774 dz. in 1932, a fourfold and very welcome increase. For the quarter January-March, 1933, imports rose to 7,943 dz. from 4,263 dz. during the same period in 1932. It has been stated on reliable authority that the quality of Indian hemp has much improved latterly. The Imperial Council of Agricultural Research in India has devoted much attention to the improvement of the quality of hemp, and during the year the Council published a brochure containing the results of a special enquiry conducted under its authority. It is confidently expected that the investigations and experiments being carried on in India for the improvement of our Indian hemps will result in an increased demand for them in Continental countries. Hitherto, Indian hemp did not have a good reputation on account of its bad quality and because much of our hemp has come to Europe in a dirty condition, full of dust and extraneous matter. It is this reputation which has partly been responsible for the alarming decrease in the imports of our best Continental customer, Belgium, who, in 1932, took only a third of what she did in 1931. The year under review must be the first year in many years since imports into Belgium were lower than imports into Germany. It is some consolation to find that France, though a comparatively small purchaser, trebled her takings of Indian hemp. A shipper in Calcutta wanted a representative in Antwerp; enquiries were made, and an interested firm in Antwerp was introduced to the Calcutta enquirer. An enquirer in Hamburg was put in touch with a Bombay exporter. A Bombay firm wanted introductions to firms in Denmark and Sweden. Enquiries were made and the names of interested parties forwarded. In reply to an enquiry from this office an important factory in Bavaria reported that the workers suffer considerably at the time of unpacking bales and that some protection has to be afforded them by the use of respirators and goggles. This factory recom-

mended the use of special shaking machines, combined with exhausters, for the purpose of extracting dust and dirt from the hemp in India before shipment

Coir

Imports of coir fibre into Germany increased from 4,951 dz in 1931 to 5,078 dz in 1932, at the same time yarn imports also increased from 58,847 dz to 67,933 dz These increases are eminently satisfactory and are evidence of the continuing popularity of coir for the manufacture of cheap mats, rugs and brushes Holland and France also increased their takings of coir yarn, but Belgium decreased her imports by a slight amount A large number of enquiries were received from European enquirers wanting to be put into touch with shippers in India and these were introduced to exporting firms at the other end A firm in Coconada was put in touch with importers in Antwerp and Rotterdam, and a Madras firm was introduced to an importing house in Czechoslovakia An enquirer in Copenhagen was put in touch with shippers in India

Rice

Most of the northern European countries decreased their imports of Indian rice during 1932 as compared with 1931, though total imports remained pretty much on the same level The decreases in the cases of Poland and Holland were very severe, the latter country diminishing her takings to a third of those for 1931, while the former reduced her imports to one fifth of what she took the previous year Belgium also reduced her share by one half German imports of unpolished Indian rice decreased to 2,198,775 dz during 1932 as compared with 2 566 865 dz in the previous year Total German imports of unpolished rice decreased very slightly The Dutch East Indies and Persia improved their position during the year, the former s imports rising from 22,166 dz in 1931 to 210,918 dz in 1932 It is, however satisfactory, to observe that India is still the predominant supplier of unpolished rice to Germany It is of interest to note here that during the quarter January March, 1933 Siam made a sudden incursion into the unpolished rice market and supplied 4 099 dz to Germany Turning to polished rice, where India held undisputed sway before the War, as she still does in the unpolished class [illegible] satisfactory to see that she increased her sales from 406 [illegible] 1931 to 421 654 dz in 1932 and that in the quarter January March, 1933, Indian imports were well maintained [illegible] competitors in the polished rice market in Germany [illegible] were the United States the Dutch East Indies Italy [illegible] Total imports diminished from 1 322 467 dz [illegible] 1,205 099 dz in 1932 and Brazil Italy and the [illegible] suffered from declines in their respective [illegible]

United States were able to emulate India's example and increase their share of polished rice in 1932. Siam's invasion of the unpolished rice market in the first three months of 1933 found a parallel in the polished rice market, where her imports leaped up during that quarter from 10,546 dz. in 1931 to 52,956 dz., a phenomenal increase in so short a period, which brought her up to third place in the list. Germany's total imports of rice bran increased to 1,387,214 dz. in 1932 as compared with 892,976 dz., an increase of 60%. India increased her share from 371,045 dz. to 575,532, an increase of 54%, but the increases in the imports of rice bran from the United States and Siam were phenomenal. The former country increased her share from 38,824 dz. to 192,271 dz. and the latter her share from 14,657 dz. to 113,635 dz. Siam's advance in the German rice and rice bran market during the year under review has been remarkable and her future progress will be well worth watching. During the quarter January-March, 1933, she sold 58,540 dz. of rice bran to Germany, whereas in the same period of 1932 her name did not appear at all in the customs list.

During the year under review the rice and rice products trade was hard hit by governmental action taken in Germany for the protection of home agricultural interests. The customs duty on unpolished rice not meant for human consumption (i.e., feeding paddy and loonzain) was raised from Rm. 1·50 to Rm. 2·50 per 100 Kilos with effect from the 1st of August, 1932. Unpolished rice for husking, polishing or grinding under customs supervision, was left at Rm. 1·50 per 100 Kilos, the old rate. The motive lying behind this action was to penalise all unpolished rice which came into competition with home-grown barley and other cattle fodder. It was alleged that abnormal imports of unpolished rice intended for cattle feeding were having a detrimental effect on barley and fodder prices, and thereby hitting the German farmer. The statistics, however, do not support this allegation, as during the half-year January to June, 1932, imports of unpolished rice were 218,610 dz. as compared with 199,124 dz. for the same period in 1931, an increase of less than 2,000 tons. The raising of the customs duty against unpolished rice may very probably have had something to do with the reduction of imports at the end of the year 1932, when imports from India were decreased from 2,566,865 dz. to 2,198,775 dz.

But this was not to be the last of the trouble for the rice trade. In the autumn of 1932 the German Government had under contemplation the introduction of the import quota system on certain commodities, and Reis-Abfälle (rice bye-products, including bran) was included in the list and the quota proposed was as low as 30% of average imports of the three preceding years. The import quota proposals were eventually dropped, but worse was to follow.

At the end of December the Government quite suddenly issued a decree placing all rice and rice products and feeding stuffs under the Maize Monopoly Law, with effect from December 29th. Thus at one stroke all imports of rice and bran were brought under Government control and supervision. The Maize Monopoly office authorities at once issued a notification that all rice and rice products feeding stuffs sold to the office would be resold at world market prices plus customs duty plus the following surcharges:—

	per ton
Grains under article 8 of the Customs Tariff (i.e., feeding stuffs)	Rm 85·—
Unpolished rice (not for human consumption)	Rm 85·—
Rice Bran	Rm 110·—
Polished and unpolished rice (for human consumption)	Rm 1·—

Rice bran produced from rice milled in German mills within the country was exempted from the monopoly surcharge.

The rice monopoly decree has effected several things at one and the same time. (i) It has virtually introduced the import quota system for rice and bran and *feeding stuffs, because the* Monopoly Office may refuse to buy consignments at any time, and these cannot be offered for sale to anyone but the Monopoly Office. (ii) It has in effect increased the customs duty on *polished* and unpolished rice for human consumption by Rm. 1·— per ton or 10 pfennigs per 100 kilos. (iii) It has placed difficulties in the way of import of feeding paddy, *loonzain*, rice bran and *feeding* stuffs by the imposition of heavy surcharges. *It is, therefore,* all the more surprising to turn to the statistics of rice bran imports for the quarter January-March, *1933* and to find that imports *had* actually increased in that *period to 294,284 dz.* as compared with 253,640 dz. in 1932. These figures appear to suggest that the monopoly surcharge has had no *appreciable* effect on imports of rice bran and that the demand *for bran is as keen as ever* in *spite* of the surcharge. The import statistics for rice and rice bran will require careful watching *throughout 1933* with a view to ascertaining the effects of the *monopoly system* on these commodities. Rice bran *prices decreased* considerably at the end of 1932 and have *remained depressed, but this is not the full* explanation of the increase in the import of *rice* bran during the first quarter of *1933 in spite of* monopoly *surcharges. A true* explanation would be that the imports during the period January-March, 1933 represent the fulfilment [illegible] (is entered) previous to the *enforcement of* the [illegible] decree contracts were specifically [illegible] surcharges. It is probable that [illegible] a quota for rice bran led to an

the delivery of feeding rice and rice bran before the establishment of the quota system.

In regard to enquiries, several rice shippers in India were introduced to firms in Hamburg and Rotterdam. A number of other firms were introduced to firms, more inland, in Hanover, Munich, Prague, and Vienna. A Calcutta firm was put in touch with importers in Copenhagen and in Sweden. Some enquiries for rice were received from Continental enquirers and these were attended to and names of shippers given. The visit to Hamburg of Mr. J. Grant, Rice Research Officer of the Burma Agricultural Department, will be referred to in a subsequent chapter.

Tea and Coffee.

The set-back to the progress of India tea consumption in Germany, which was noticed last year, continued to operate during the year under review. Imports of Indian tea fell to 12,604 dz. in 1932 as compared with 15,532 dz. in the previous year. On the other hand, India's chief competitor in the German market, the Dutch East Indies, increased her imports by 1,085 dz. to 21,586 dz. The position has again been almost reached where India imports are half of Java-Sumatra imports, as was the case during 1924 and 1925. Since that time, India had rapidly improved her position *vis-à-vis* the Dutch East Indies, but she has now lost a good deal of ground. Two main causes appear to be responsible for the decline in the imports of tea from India. In the first place, it is only the cheapest varieties of tea that are likely to be in demand in these days of economic distress. It has to be remembered that the German customs duty on tea is a fairly heavy one, Rm. 350/- per 100 kilos, which comes to Rm. 3·50 on 1 kilo (= 2 metric lbs.). The duty alone places tea-drinking beyond the reach of a large class of people, and therefore any tea which is to succeed in this market must be of a cheap variety. Java tea has for this reason, i.e., price, better chances in Germany than Indian tea. There is no reason, however, why the cheaper varieties of Assam tea should not be in a position to compete with Java tea. The second cause for the decline in the German consumption of Indian tea may possibly be traced indirectly to the re-introduction of the preference duty on Empire-grown teas in the U.K. The result of the British preference given to Indian and Ceylon teas has probably been to divert to the Continental market some of the Java tea hitherto marketed in the U.K. The tea-trade is at present passing through difficult times and a general restriction scheme for production has been adopted in all the tea-growing countries for a period of five years. It must, however, be emphasised that only a steady and organised propaganda will help Indian tea to achieve more rapid progress in the future than it has done in the past. There is no inherent reason why, given adequate publicity and organisation, Germany should not become a much greater tea-drinking country.

The following statistical table sets out the main features of the tea trade in Germany —

In Doppelzentners (10 dz — 1 metric ton)

	Total Imports	Java Sumatra	India	Ceylon	China
1913	42 903	7 394	5 910	4,656	22 889
1921	53 771	36 190	5 805	4 388	7 083
1924	40 630	14 683	7 179	5 762	12 827
1925	41 518	16 343	7 896	7 155	9 770
1926	45 884	16 177	10 460	8 111	10 623
1929	57 710	21 077	15 110	11 228	8 923
1930	60 417	23 034	17 947	11 626	6 893
1931	52 943	20 501	15 532	10 567	5 782
1932	47 976	21 [illegible]86	12 604	9 396	3 860

It will be seen from the above figures that 1926 was the year when Indian tea first made a big advance, which continued steadily till 1930, which was the peak year for tea imports Since then the position has deteriorated In September, 1932 the German Government increased the customs duty on tea imported in quantities of 5 kilos or under from Rm 350 — to Rm 500 — per 100 kilos The intention was to put a check on the importation of packet teas from England a practice which had been growing up lately France made a noticeable increase in her purchases of Indian tea during the year under review, her imports going up by 75% in comparison with the previous year It is to be hoped that French consumption will improve as steadily in the future as it has in the past

France is the most important buyer of Indian coffee on the Continent and it is satisfactory to note that she increased her imports by nearly 30% during 1932 as compared with the previous year, though her normal consumption is far higher than that of the last two years France is noted for her discriminating taste in coffee and Indian coffee which is a high grade variety, is therefore in good demand in France for the purpose of blending with other varieties in order to give taste and flavour The demand for Indian coffee was well maintained in other countries, save Germany where imports declined in 1932 to 9,746 dz from 15 739 dz in the previous year The fluctuating nature of the demand for Indian coffee in European countries is due to the fact that Indian coffee is regarded a a blending coffee and the amo[illegible] required in any one year is dependent on the particular vari[illegible] of coffee imported from Central and South American countr[illegible] into Europe during that year Guatemala coffee require[illegible] mixing than Brazil and the crop of one year may be inf[illegible] the previous year's crop in quality and may therefore [illegible] blending Indian coffee is seldom if ever, sold a a [illegible] in the secondary whole ale and retail trades, and the [illegible]

a demand for it as such would necessitate a large amount of propaganda, which hardly seems worth while in view of the comparative smallness of the Indian coffee crop *vis-à-vis* the crops of the American countries.

A number of enquiries were received from tea and coffee exporters in India desiring to be put in touch with importers on the Continent. These were attended to as far as possible. Difficulty is experienced in establishing connections for individual exporters, as the majority of firms on the Continent usually go to the big blending importing houses in the ports for their coffee and tea requirements.

Dari and Bajra.

The year under review has been an unfortunate one for Dari (the Indian Jowar or Javeri). Coming into prominence in Germany as a feeding stuff early in 1931, after maize had been brought under control and placed under the Maize Monopoly Office, imports of Dari rose to phenomenal heights all through that year and the first half of 1932. In the half year January-June, 1932, imports of Dari from India were 241,725 dz. as compared with 70,385 dz. for the corresponding period of 1931 and 3,567 dz. for the same period of 1930. Imports of such magnitude inevitably attracted the attention of the German Government, which decided that the intention underlying the monopolisation of maize was being circumvented by this huge importation of dari. The Government accordingly issued an order at the end of July placing dari within the scope of the Maize monopoly law and thereby put under control all imports of that commodity. During the second half of 1932 imports of dari fell to 45,661 dz. as compared with 241,725 dz. in the first half, and during the quarter January-March, 1933, imports from India were only 3,890 dz. as compared with 153,892 dz. for the corresponding quarter of 1931. The "monopolisation" has thus virtually put a stop to the large quantities of dari that had recently been coming from India. It should be mentioned here that with regard to the statistics given in Appendix A I, the figures of total imports are for both maize and dari combined. Both commodities figure under one tariff heading and are lumped together in the statistics. It is only a rough approximation to say that the totals of the dari exporting countries represent the amount of dari imported into Germany, and that the difference between the total amount of maize and dari and the total amount of the dari exporting countries represents the amount of maize imported into Germany. Soon after dari had been brought within the scope of the maize monopoly, grain merchants in Hamburg turned their attention to Indian Bajra, as it was considered that bajra would do just as well as dari for cattle and poultry feeding. During the period January-June, 1932, imports of Indian Bajra into Germany amounted to 2,034 dz., of which the month of June

alone accounted for over 1,400 dz In July, when dari was controlled, imports of bajra increased to 5 220 dz By September imports of bajra had risen to 15 946 dz for the nine months of the year, the September figure alone being 8,188 dz The total imports for the year 1932 amounted to 54,713 dz, all from India, as compared with no imports in previous years But in December bajra also became "monopolised" under the Rice and Feeding Stuffs Decree promulgated at the end of that month, and imports of this commodity have come to an end During the quarter January March, 1933, there were no imports recorded under this tariff heading The agricultural economic policy of the Government has thus reacted very severely against India's export trade in feeding stuffs During August and September a number of enquiries were received from importers in Hamburg for names of shippers of bajra These were attended to and introductions effected It is hoped that these introductions will be of value in bringing about trading in other commodities besides bajra

HIDES AND SKINS

The imports of Indian raw hides into Germany India's largest European purchaser in this line make depressing reading for the year under review The table below shows the import of cow hides from India for 1932 and the two previous years —

In Doppelzentners 10 Dz = 1 metric ton

	1932	1931	1930
Wet	839	2 304	2 308
Dry	29,576	38,954	50 060

It will be seen that there was a heavy decline in the imports of wet hides as compared with the two previous years the imports of those years being themselves far below the normal quantity taken by Germany As regards the dry variety the imports for 1932 represent declines of 24% and 42% respectively as compared with 1931 and 1930 Germany's total purchases of wet hides in 1932 increased by 7% as compared with 1931, the Argentine, which is far and away the largest supplier of wet hides, and was responsible for nearly half the total imports, improved her 1931 position by as much as 36% in the year under review At one time India was easily the largest supplier of dry hides to Germany, but she has been ousted from this position by the Argentine and Brazil and stands only third now on the list The respective shares of India Argentine and Brazil in the dry hides trade will be found at Appendix A I it is sufficient to mention here that in 1932 they were 17%, 19% and 22% The decrease in India's share in the hide trade of Germany is due to two causes quality and the price factor The South American meat trade is a highly organised and skilled one, and methods of slaughter and of stripping the carcases are consequently scientific and uniform Cuts and other blemishes are reduced

Oilseeds and Oilcakes

Business in the two principal oilseeds from India, groundnuts and linseed, was extremely bad, during the year under review, in all the Continental countries Holland, France and Germany all made heavy reductions in their purchases of Indian groundnuts Dutch imports were a third of what they were in 1931, and France reduced her takings by 20% The following table shows Germany's imports of Indian groundnuts in 1932, and the two previous years —

In Doppelzentners 10 Dz =1 metric ton

	1932	1931	1930
Decorticated	1,523 005	4,024 523	4 825 024
Undecorticated	28 875	75,419	24 463

From the above figures it will be seen that imports of decorticated groundnuts decreased by 350 000 tons as compared with 1931, a very heavy decrease indeed and that even the undecorticated nuts which form a very small proportion of the total imports, were reduced by 63% It will be observed from the statistics given in Appendix A that Germany s total imports of groundnuts (both varieties) fell heavily during 1932 as compared with 1931 The reason for this serious decline in the importation of ground nuts into Continental countries is to be found in the fact that owing to economic distress there is a strong tendency on the part of consumers to buy the cheaper qualities of margarine As a result manufacturers of margarine have been compelled to consider the problem of lowering production costs and have turned their attention to cheaper raw materials than groundnuts which have hitherto formed the main raw material in the manufacture of margarine Soya oil and whale oil are much cheaper than ground nut oil and it is significant that while imports of groundnuts have progressively declined since 1931, imports of soya beans and raw whale oil have increased during that period in the main margarine manufacturing countries (e g , Holland, France and Germany) This is a danger which it is necessary to point out in the interests of the Indian groundnuts trade The difference in price between groundnut oil on the one hand and soya oil and whale oil on the other is rather a large one groundnut oil being priced at Rm 34 per 100 kilos, and soya and whale oils at Rm 25 and Rm 20, respectively It is difficult to see how this discrepancy in prices is to be narrowed without unduly depressing the price of groundnuts which is low enough already as compared with three years ago An improvement in the economic conditions of the people in European countries will not necessarily induce margarine manufacturers to return to groundnut oil from soya and whale oil, as it has invariably been found in the past that once an industry switches over from one raw material to another, it is seldom willing to return to the previous raw material especially if the new raw material is much cheaper in price

Imports of Indian linseed were also bad during 1932. France, one of our best customers, reduced her imports by more than half as compared with the previous year, and Holland and Belgium did the same. Germany also reduced her imports from 100,150 dz. in 1931 to 89,654 dz. in 1932, a decrease of 10%. The Argentine which supplies almost 95% of European linseed requirements, improved her position by more than 30%. In the first quarter of 1933 there was some improvement in the Indian linseed position, imports increasing from 20,197 dz. to 27,908 dz. It is pleasant to turn to rapeseed and find that imports from India increased from 23,243 dz. in 1931 to 106,835 dz. in 1932, a very satisfactory improvement. In January, 1933, the German Government passed a decree restricting the manufacture of margarine, edible fats and oils and vegetable fats. It also took powers to compel oilmills to use home-produced oilseeds, and margarine manufacturers to mix butter with margarine. The intention behind all this was to help the German farmer to increase his sales of butter. But this decree never came into force, as the Government was dissolved. The present Government introduced, at the end of March, a new and much more drastic decree, bringing all oils, oilseeds and oilcakes, within the scope of the Monopoly Law. As these new regulations regarding oilseeds and oilcakes came into force after the close of the year under review (6th April) details of their contents will be given in next year's report. Reference is only made to the new laws in this report for the purpose of emphasising the fact that they are bound to have a very serious effect on the oilseeds and oilcakes trade between India and Germany. It is not improbable that Indian exports of these commodities to Germany will undergo a severe diminution during 1933, and the outlook is far from bright. In enforcing these new laws the German Government stated that the interests of German agriculture were of paramount importance and would be afforded every protection.

In contrast to oilseeds, oilcakes had a fairly good year compared with 1931 and 1930. Taking groundnut cake first, imports into Germany from India rose from 755,351 dz. to 784,661 dz.: it will be remembered that imports in 1930 were 381,838 dz.: so the improvement has been progressive for the last three years. Holland and Belgium more or less maintained their purchases of groundnut cake. Linseed cake has made much the most rapid progress among all the cakes. Holland increased her takings by 60%, while Belgium took five times the quantity of linseed cake which she did in 1931. Germany's imports of Indian linseed cake also improved from 18,906 dz. in 1931 to 43,890 dz. in the year under review, a considerable increase. In 1932 Soviet Russia was by far the largest supplier of linseed cake to Germany, being responsible for half the total imports. Several enquiries for oilseeds and oilcakes were received during the year from Indian

shippers wanting to be put in touch with importers in a number of countries Some Continental firms also approached this office seeking introductions to Indian exporters and to oil mills in India All these enquiries were attended to and connections effected between exporters and importers

Lac and Shellac

Imports of shellac into Germany, India's best customer for shellac, were reduced to 19 216 dz during the year as compared with 24,426 dz in 1931, and 31,156 dz in 1930 There has thus been a progressive decrease in the shellac trade to Germany This is not surprising in view of the severe depression in the trades requiring varnishing materials and the increasing tendency of motor car manufacturers to use synthetic substitutes in place of shellac Unlike Germany, France increased her purchases of shellac during the year by 20% Sticklac shipments to Continental countries were heavily reduced in 1932 as compared with 1931 Germany purchased 23,769 dz of gum lac in 1932 as compared with 29,615 dz in 1931 and 30,839 dz in 1930 The lac trade to the Continent has not done well during the year under review It is hoped that the lac research work being carried out both in India and London will result in stabilising and improving the quality of shellac so that it can hold its own against the synthetic products which have been gaining ground at its expense Grading is also highly important in the shellac business, and a reliable system of grading for export would certainly increase the demand in Europe for shellac from the industries which make use of this commodity The elimination of the speculative element in the shellac business would also be of great help, manufacturers dislike using a raw material whose price is constantly fluctuating, as it throws out their calculation of costs A number of enquiries were received from firms in India wanting to be put in touch with importers at this end, while a few enquiries came from Continental dealers wanting names of reliable shippers All these were put through in the usual way

Wood and Timber

Holland and Germany are the principal importers of Indian wood and timber on the Continent, but in comparatively small quantities Teakwood is the best known Indian wood and, in fact, constitutes the major portion of the imports from India Both countries reduced their purchases of Indian teak during the year under review by almost half compared with the previous year, German imports declining from 4,540 dz in 1931 to 2,570 dz in 1932 The comparative popularity of Indian teak is due to the fact that its price enables it to compete to some extent with European woods of similar quality and strength The other varie-

ties of Indian woods and timber are not sufficiently known in Continental countries, with the exception perhaps of France, in whose case several London brokers either have branch offices in Havre and Paris, or work through agents at those places. It is doubtful whether the more fancy types of Indian woods, such as rosewood, laurel, silver grey, etc., even if known, would find a market in Germany and other northern countries, due to high prices in comparison with woods from European forest areas in Germany, Austria, Czechoslovakia, Norway and Sweden.

During the year under review brochures dealing fully with India's timber resources and samples of various types of Indian woods were indented for from India House and distributed among wood and timber importers and furniture manufacturers in Hamburg and other German towns, and in Holland and Belgium. Even if no present demand exists for our other woods, it is useful for merchants and manufacturers to have at hand information about Indian woods and also samples. A French firm of brokers in Paris was put in touch with exporters in India of ebony wood, figured laurel wood, rosewood. The Paris firm wanted to be introduced to shippers of special types of rosewood and this has been done for them. A Bombay firm was introduced to importers of sandalwood in Hamburg. The State Forest Department of Kashmir State was introduced to the State Armament Factory of Poland for the supply of walnut timber used for butts, fore-ends and handguards of guns and rifles. A timbe[illegible] a in South India was put in touch with firms in Hamburg [illegible] teak, rosewood and red cedar. A Bombay firm was [illegible] to importers in Antwerp of teak and rosewood. There [illegible] a number of enquiries received from India in regard [illegible] Reference will be made in a [illegible] pter to a speci[illegible] bamboo carried out on beh[illegible] rector of In[illegible] A firm in Calcutta [illegible] ch with [illegible] and Bremen of ba[illegible] wicker the furniture tra[illegible] tta importers in Ge[illegible] manufacture. Ano[illegible] bamboo fishing rods. [illegible] Po Czechoslovakia, enq[illegible] put in touch with ex[illegible]

Imports of Indian pig [illegible] 40% as compared with 1931, [illegible] more than doubled her impo[illegible] from 13,582 dz. to 29,382 dz., [illegible] of wolfram, which were onl[illegible]

pig lead, Indian imports to Germany were 16 569 dz in 1932 as compared with 19,985 dz in 1931 and 35,326 dz in 1930 Australia is the biggest supplier of pig lead to Germany, being responsible for half the total imports It is satisfactory to note that Indian mica imports rose from 2,553 dz to 3,095 dz in 1932, an increase of 20% As regards manganese, France and Belgium are the biggest Continental buyers of Indian manganese, far bigger than Germany All three countries reduced their purchases in 1932 as compared with the previous year, which itself was a bad year for Indian manganese Indian imports into Germany dwindled to 66,667 dz in 1932 as compared with 233 858 dz in 1931 and 783,539 dz in 1930 and India was ousted by Egypt for second place It is some consolation to note that imports of Russian manganese also declined during the year by nearly 30% as compared with the previous year Indian imports into France and Belgium fortunately did not decline very much

During the year enquiries regarding the following minerals were received mostly from Indian exporters wishing to be put in touch with Continental buyers —Chromite bauxite, corundum, manganese, mica, ilmenite monazite, zircon, steatite gypsum semi precious stones, red oxide of iron, calcite graphite asbestos and cobalt A prominent firm in Hamburg informed this office that they were regular importers of minerals from Japan, and that they wanted to get into touch with Indian shippers of manganese ore, as the Japanese ore was not suitable for all purposes The firm gave detailed specifications of the particular quality of the ore they wanted from India Enquiries were put through in India for ascertaining the names of firms who were in a position to supply this special quality of manganese ore required by the Hamburg firm, and the names of three firms were obtained and passed on to the enquiring firm who got into touch with the supplying firms This Hamburg firm subsequently asked the help of this office in putting them in touch with firms in India exporting monazite ilmenite and zircon sand A firm in Paris stated that they wished to be put in touch with suppliers in India of red oxide of iron most of their imports hitherto oming from Spain Enquiries were made in India and the Paris im was put in touch with three suppliers in Central and outhern India The same firm again asked us to introduce them shippers of chrome ore Another Paris firm of mineral impor rs wanted to be put in touch with exporters of asbestos mica ganese cobalt tin and lead As a result of enquiries carried t in India this firm was introduced to shippers of all the nerals required by them In dealing with enquiries for erals this office has had the advantage of the expert knowledge experience of the Minerals Adviser to the High Commissioner se assistance has been of the greatest value in handling these alised enquiries

Chapter IV.—Prices in 1932-33.

Reference has been made in an earlier chapter to the fact that the impetus imparted to "sterling" prices of commodities by the departure of sterling from the gold standard in September, 1931, had, by the beginning of the year under review, completely died down, and that wholesale prices had again commenced to fall. A review of prices as they stood in the middle of April, 1932, shows that much, if not most of the ground gained by the depreciation of sterling, had been lost, and that the level of wholesale prices in that month was about the same as in the period just before September, 1931, if not actually slightly lower. The prices of a few of the main commodities ruling in August, 1931, are given side by side with prices during December, 1931, and April, 1932:—

	August, 1931.	December, 1931.	April, 1932.
Cotton.			
Bremen cl. I	3.40d.	4.80d.	4.10d.
Bremen cl. II...	3.49d.	5.15d.	4.60d.
Jute.			
First marks	£15 10 0	£22 5 0	£16 5 8
Rice.			
Burma L.R.O. spot... ...	£0 10 3	£0 10 9	11 sh. 3d.
Patna	£1 0 3	£1 1 3	19 sh. 9d.
Oilcakes.			
Linseed cake...	Rm. 6.40	Rm. 5.75	Rm. 5.50
Groundnut cake	Rm. 5.40	Rm. 6.75	Rm, 6.30
Oilseeds.			
Groundnuts	£12 5 0	£12 17 6	£15 10 0
Linseed	£10 10 0	£11 5 0	£9 15 0

From this comparison it will be seen that by April the period of "inflation," in so far as commodity prices are concerned, is definitely past and that world influences resume their sway over sterling prices. The earlier hopes entertained that the divorce of sterling from gold would shelter sterling prices from the world economic depression were thus short lived. The course followed by prices during the period under review goes to show that both "gold" and "sterling" prices were subject to the same influences and moved downwards, then upwards for a short while, and then downwards again towards the end of the period. It is worthy of note that whenever the sterling exchange has moved upwards,

sterling prices have exhibited greater sympathy with gold prices in the direction of moving downwards, while any resistance on the part of sterling prices to world influences has always been associated with a heavy depreciation of sterling. It therefore seems to be a choice of evils and the experience of countries who have passed through a severe inflation demonstrates clearly the dangers attendant on monetary manipulation because it is impossible to predict the exact point at which "reflation" is likely to degenerate into uncontrolled "inflation."

During the whole of the first quarter of the period under review prices declined steadily and in June, 1932, were at a very low level. The "reflationary" measures pursued in the United States during the early months of 1932, and the success of the Lausanne Conference gradually began to have their effect, and influenced wholesale prices. From July the commodity markets commenced to revive and prices for the first time began to move upwards instead of downwards. The upward tendency continued steadily throughout the whole of the second quarter of the review year, and by the end of September hopes ran high that the world had at last turned the corner and would shortly be seeing better times coming along. The improvement in prices was remarkable between July and October, as the following figures will show:—

	July 1932	October, 1932
Cotton. Bremen cl. I	3.85d.	5.00d.
Oilseeds. Linseed	£9 15 0	£11 0 0
Oilcakes. Groundnut cake	Rm 5.55	Rm 80
Calcutta Kips. M.D.S.	5 1/4d.	[illegible] 3 4d.
Rice. Burma I. R. O.	9 sh.	9 sh. 4½d.

The improvement was, however, short lived, and for a variety of reasons, mostly political, the business world lost confidence and the result was that commodity prices began again to decline from October onwards, and the decline continued more or less till the close of the period under review. The following figures [illegible]

for themselves when compared with the October figures given above:—

	January, 1933.	March 1933.
Cotton.		
Bremen cl. I	4.30d.	3.85d.
Oilseeds.		
Linseed	£11	£9 15 0
Oilcakes.		
Groundnut cake	Rm. 5.25	Rm. 5.20
Calcutta Kips.		
M.D.S	6 1/4d.	5½d.
Rice.		
Burma L.R.O.	8 sh. 7½d.	8 sh. 6d.

These figures show that in a great many cases prices were lower at the end of the review year than at its commencement, in spite of a substantial improvement in the middle of the year.

Further details are given regarding the prices of certain important commodities:—Jute commenced at £17 3*s*. 8*d*. in April, 1932, but there was a gradual decline right through the next three months till by the end of June prices stood as low as £15 2*s*. 6*d*. The preliminary jute forecast in July, with a slightly larger acreage than anticipated by the trade, had the effect of sending prices down to £14 15*s*. 0*d*. for a few days. This, however, was regarded as an excess of pessimism, and jute rose again to £15 17*s*. 6*d*. for a short period but fell again to £14 15*s*. 0*d*. by the end of July. The beginning of August brought rumours of an alleged shortage of rainfall, and a considerable amount of speculation was indulged in in Calcutta. Prices soared to £15 17*s*. 6*d*. and £18 16*s*. 0*d*., and by the beginning of September stood at £19. But a reaction set in and prices again declined to £18 17*s*. 6*d*., and by the end of September jute stood at £17 15*s*. 0*d*. The rise to £19 10*s*. 0*d*. at the beginning of September was caused by the final forecast figures which, it will be recalled, were rather lower than had been anticipated by the market. The subsequent reaction was due to a realisation that there was a large old crop carry over and to speculation in the "phatka" market in Calcutta. From October onwards, there was a steady decline from £17 15s. 0*d*. to £16 5*s*. 0*d*., and £15 10*s*. 0*d*. by the end of December. Large amounts of old crop were coming on to the market, and during the first quarter of 1933 prices came further down to £14 15*s*. 0*d*., and at the beginning of March jute stood as low as £14. The end of the review year, however, saw an improvement to £14 15*s*. 0*d*. and

£15, and in March there were signs of a better activity in the market

World cotton prices are influenced very largely by American crop prices, and move in an upward or downward direction in accordance with the nature of American crop estimates and forecasts, weather reports, and the progress of consumption East Indian cotton prices are further subject to home crop and weather reports, and to home demand by Indian mills, which plays a very important part in determining raw cotton prices in the Bombay market At the beginning of the year under review, East Indian, Bremen Class I and Class II stood at 4 20*d* and 4 60*d*, respectively These prices declined continuously for the next three months, till by the end of June they stood at 3 55*d* and 4*d* During the next two months (July and August) cotton prices rose steadily, due to the mild wave of "reflation" that passed over the American business world in the middle of 1932 Bremen Class I rose to 3 90*d* at the end of July, and in August improved steadily to 4 50*d* and 5 15*d*, and, by the beginning of September, stood at 5 35*d* Bremen Class II rose from 4*d* in July to 5 50*d* in the middle of August, and stood at 6*d* in the first week of September It was then that the collapse of cotton prices occurred Bremen I and II fell from these comparatively high levels and declined steadily during the remaining months of 1932 By the end of December, 1932, Bremen Class I and II stood at 4 35*d* and 4 70*d*, which was an even lower level than that in December, 1931 But the decline did not stop there, and during the first three months of 1933 prices moved steadily downwards till by the end of March Bremen Class I stood at 3 85*d* and Class II at 4 20*d*, a remarkably low level It may be stated here that during the greater part of 1932 Indian cotton prices were above world parity, and in consequence Indian exports of raw cotton were much lower than in 1931 and 1930 The extraordinary low prices of Indian cotton prevailing during the first quarter of 1933 were, however, in its favour, and there was an improvement in the exports of raw cotton from India during the period January-March

In regard to oilseeds, linseed exhibited much greater strength during the year under review, and resisted depressing influences much more than groundnuts, which fell a much easier victim to depression Linseed ended up the year in much the same position which it held at the beginning, but groundnut prices were lower at the end of March, 1933, by 27% than they were in March 1932 In April, 1932, linseed stood at £10 2*s* 6*d*, but sank steadily during the next three months to £9 7*s* 6*d* From July to October linseed rose to £10 10*s* 0*d* and £11 5*s* 0*d* It was at this point that it showed a greater resistance than many other commodities During the next three months, while other seeds displayed weakness, linseed prices declined very little indeed and,

at the end of December, there was even a recovery from £10 12*s*. 6*d*. to £11 1*s*. 3*d*. During January, 1933, it maintained its position, but in February and March prices gradually sank till by the end of March linseed stood again at £10 2*s*. 6*d*. and £9 15*s*. 0*d*. Groundnuts were at £15 12*s*. 6*d*. in April, 1932, but declined continuously to £14 10*s*. 0*d*. by the end of June. In July and August they improved to £15 10*s*. 0*d*. and stood at £15 1*s*. 3*d*. at the end of September. They appeared quite unable to resist the autumn depression, and prices declined to £14 15*s*. 0*d*., £12 15*s*. 0*d*., and by the end of December stood at the latter figure. There was some revival in January, 1933, and prices rose to £13 5*s*. 0*d*. and £13 15*s*. 0*d*., but in February ground was again lost and prices sank to £12 10*s*. 0*d*., and by the end of March groundnuts stood at £11 6*s*. 3*d*., as compared with £15 12*s*. 6*d*. in April, 1932.

The history of rice prices during the period under review is a depressing one. Burma L.R.O. started off at 11*s*. 3*d*. in April, 1932. It remained pretty steady at this level till the end of May, when it fell by a shilling, and at the end of June another shilling had come off the price, which stood at 9*s*. 3*d*. It continued steady at this level for a while, and even rose slightly to 9*s*. 4½*d*. at the end of September. It stood at 9*s*. 4½*d*. till the middle of November, when the price fell slightly to 9*s*. 3*d*. again, at which level it remained for the rest of the year. It will thus be seen that from June to December Burma L.R.O. showed a certain amount of steadiness at a low price level. In January there was a fresh decline to 8*s*. 7½*d*., but the price rallied again to 8*s*. 9*d*. In February there was a fall to 8*s*. 6*d*., and the year closes with Burma L.R.O. at this level, compared with 11*s*. 3*d*. in April, 1932, a fall of 27%. Patna rice commenced the year at 19*s*. 9*d*. in April, 1932, but declined to 18*s*. 9*d*. in May and 17*s*. 9*d*. in June. By September Patna rice was 3*d*. cheaper. It remained at this level till the middle of December, when the price again fell by 6*d*., standing at 17*s*. The first quarter of 1933 saw Patna decline again to 16*s*. 9*d*. *and* 16*s*. 3*d*., and by the end of March Patna stood at 16*s*. 1½*d*., as compared with 19*s*. 9*d*. in April, 1932, a decline of nearly 20%.

There was a rally in the prices of Indian hides during the period under review. M.D.S. Kips started the year at 5*d*. and remained at that price till the end of June. They then rose gradually from 5¼*d*. in July to 6*d*. in September. There was a slight setback to 5¾*d*. at the end of the year. In January, however, the price of M.D.S. variety rose again to 6¼*d*., though it declined once more to 5¾*d*. and 5½*d*., which was the final level at the end of March. There was thus an improvement of 10% at the end of the year as compared with April, 1932.

An attempt is made here to follow the parallel courses of "gold" prices and "sterling" prices in regard to one single commodity, rice, from September, 1931, to March, 1933 The varieties taken are American "blue rose" rice, Burma L R O and Patna polished The first column of prices are "gold" prices, while the other two are "sterling" prices The prices of these three varieties during the above period are as follows —

	American Blue Rose (Dollars per 100 Kilos)	Burma L.R.O (Shillings per 50 Kilos)	Patna (Shillings per 50 Kilos)
September 1931			
1st week	7 70	10—1½	20—3
4th week	7 00	10—9	21—0
October 1931	6 50	10—0	20—3
December 1931	6 60	10—9	21—3
January 1932	7 25	10—9	21—3
March 1932	6 50	11—6	19 11
April 1932	6 25	11—3	19—9
June 1932	5 90	9—3	17—9
July 1932	5 75	9—0	17—9
September 1932	6 30	9—4½	17—6
October 1932	6 25	9—4½	17—6
December 1932	5 50	8—9	17—0
January 1933	5 40	8—7½	16—9
March 1933	5.30	8—6	15—6

If the prices prevailing in the first week of September, 1931, be considered as equivalent to 100, the following index numbers show the course followed by prices between September, 1931, and March, 1933, in the three varieties of rice —

	American Blue Rose.	Burma L.R.O	Patna.
September 1931			
1st week	100	100	100
4th week	91	106	104
October 1931	84	99	100
December 1931	86	106	105
January 1932	94	106	10
March 1932	84	114	98
April 1932	81	111	97
June 1932	77	91	88
July 1932	75	89	88
September 1932	82	93	86
October 1932	81	93	86
December 1932	71	86	84
January 1933	70	85	83
March 1933	69	84	77

The above index numbers clearly indicate the following things (i) "Sterling" rice prices have not fallen nearly so low as "gold" prices American rice at the end of March, 1933, had fallen 31

points, as compared with 16 points and 23 points in the case of Burma and Patna rice, respectively; (ii) the depreciation of sterling has failed to prevent wide fluctuations in the price level. The fluctuations in the prices of Burma and Patna have been as varied and wide as in American prices, the margin between the highest and lowest points being as great in Burma and Patna as in American; (iii) since April, 1932, prices of all the three varieties have followed fairly parallel courses and world influences have reacted on "sterling" prices to the same extent as on "gold" prices; (iv) monetary action alone will not help to raise the price level. The basic causes of the depression must be attacked before wholesale prices can return to the level of four years ago. Improvement in the methods of organisation and distribution, removal of all artificial barriers to demand and consumption, and the elimination of financial maladjustments must take place if the world is to return to the old standards of prosperity.

Chapter V.—The Leipzig Spring Fair, March 1933.

As in the previous year, the High Commissioner for India granted the Indian Government Trade Commissioner, Hamburg, sanction to participate on behalf of the Government of India at the Leipzig International Spring Fair, which was held at Leipzig from the 5th to 11th March, 1933. Arrangements were therefore made for the exhibition of Indian goods at a Government Stand at the Leipzig Fair, and all necessary work in connection therewith was carried out by this office.

Before going into details of the work entailed and the results achieved, a few general remarks may be made regarding the significance of the Leipzig International Sample Fair. The Fair has been held regularly in spring for many decades, and is looked upon as an event of the greatest commercial importance by the international business world. The exhibitors occupy stands which are accommodated in 33 buildings, each of them several storeys high, and 15 exhibition halls. Almost every article of commercial [illegible]ue is exhibited. The Governments of many countries partici[illegible]te in the Fair, some of them—Austria, Czechoslovakia and U.S.S.R.—occupying each an entire building. India has been a participant at the Fair uninterruptedly since 1924, and it was considered inadvisable to break the continuity of participation even in the face of the prevailing trade and economic depression.

Preliminary work was therefore commenced by this office as far back as August, 1932. Firms in India likely to be interested in displaying their goods at Leipzig under Government patronage were invited through the Director-General of Commercial Intelli-

(Chapter written by Mr. C. O. Moeder, Chief Clerical Officer.)



EXHIBITS OF ARTWARE, CARPETS AND SPORTS GOODS, LEIPZIG SPRING FAIR, 1933

gence and Statistics, Calcutta, and also through the Provincial Directors of Industries to notify this office of their desire to participate not later than the 1st December, 1932 The conditions of participation were as follows —

(i) Exhibits were to be supplied to this office free of cost

(ii) All transport, freight, clearing and landing charges from India up to Hamburg were to be borne by the participating firm and also back again from Hamburg to India, if the return of the exhibits was desired

(iii) No retail sales were allowed on the Government stand, but at the conclusion of the Fair, the goods, if desired, were to be sold to genuine trade buyers at wholesale prices to be previously fixed by the exhibitor

(iv) Trade enquiries from buyers and wholesale orders received were to be recorded and forwarded to exhibitors, without any responsibility on the part of this office, provided that full particulars regarding prices, terms of shipment, etc , had previously been given

(v) Goods not sold at the end of the Fair and/or the return of which was desired, were to be despatched to the participating firm freight forward

From the above it will be seen that no fees were charged to exhibitors for the display of their goods at the Government Stand, and the only costs incurred by them were for freightage in respect of their own exhibits from India to Hamburg and back again from Hamburg to India Twenty-one firms availed themselves of the facilities afforded by the Indian Government

Negotiations were entered into with the Fair authorities for the same space and position on the ground floor of the Ring Messhaus, which had been occupied by the Indian Government Stand in 1932 As a result however, of a reorganisation in the distribution of space carried out by the Fair authorities it was not possible to secure the same position occupied in the previous year, and a suitable stand, comprising [illegible] square metres was finally acquired on the fifth floor of the Ring Messhaus The fifth floor was not considered as convenient as the ground floor but the Indian Stand was situated between two gangways enabling visitors to enter it from two different sides This and a well organised service of four lifts, accounted for the fact that no decrease occurred in the number of visitors to the Indian Stand as compared with 1932 Hungary and Spain were near neighbours on the same floor, and Japan and Italy occupied a whole wing on the fourth floor of the same building The decoration of the stand was entrusted to the firm which has had previous experience in the dressing of the Indian stand and as a result the stand was very effectively decorated and looked most attractive

The exhibits which were supplied by firms in India or their agents, comprised manufactured goods only, such as artware, sports goods, textiles, carpets, lace work, joss sticks, etc. Apart from commercial firms the following Government institutions supplied this office with manufactured goods for exhibition:—

The Government Silk Institute, Nathnagar, Bhagalpur,

The Punjab Ivory Works, Amritsar,

The Punjab Arts and Crafts Emporium, Lahore.

Indian raw materials such as jute, hemp, tea, hides and skins, cotton, spices, oilseeds, oilcakes, coir and Palmyra fibre, etc., were obtained from local firms. The Directors of Agriculture at Lucknow, Patna, Rangoon, and Madras, also sent various samples of raw produce such as rice, paddy, cotton, barley, hemp, oils, linseed, butter beans and cotton. The Trade Commissioner for Mysore in London sent samples of sandalwood, oil and coffee beans. Acknowledgment and thanks are due to all those who kindly co-operated with this office by sending the samples referred to above. Prior to the arrival of the goods in Hamburg arrangements for their exemption from customs duty had been made with the local customs authorities. The customs officials, however, assessed the duty payable in the event of any of the exhibits being sold at the end of the Fair. In this way it was not only possible to quote ex-factory, f.o.b. India or c.i.f. Hamburg prices, but also to give precise information as to the German customs duty payable on every article exhibited.

In order to attract as many visitors as possible to the Indian Stand negotiations were entered into with the publishers of the official Leipzig Fair Directory with a view to advertising the Indian Stand. The name and address of the office of the Indian Government Trade Commissioner, Hamburg, and particulars of the situation and number of the Indian Stand were inserted, both in the alphabetical list and also under twelve different classifications of goods exhibited. This was done at a comparatively small cost and from enquiries made during the course of the Fair, it was proved that this form of advertising the Indian Stand was most effective. It must be borne in mind that business men nowadays are apt to shorten their stay at Leipzig as far as possible, in order to save expense. For such business men, therefore, the Fair Directory is most practical in that it affords them at a glance precise information regarding the stand exhibiting the goods in which they take an interest. In addition it is used by business men for reference purposes throughout the whole year, as it contains classified information regarding up-to-date and reliable sources of supply.

The Stand was divided into two sections: (a) manufactured goods, and (b) raw produce. The exhibits were displayed on shelves covered with Indian carpets, while ivory ware and lace

work, liable to be damaged or soiled by handling, were placed in two glass cabinets hired for the occasion from the Fair authorities Photographs of sections of the stand are attached to this report

The opening day of the Fair coincided with the German General Elections, and it was feared that on account of the prevailing political excitement some damage might be done to business at the Fair on the opening day Actually, however, there was no political disturbance of any kind at Leipzig, and there was no interference with the Fair itself According to official estimates, there was a considerable falling off in the number of exhibitors at the Fair this year, the reduction in the case of German exhibitors being computed at about 14%, and of foreign exhibitors about 51%, as compared with the previous year With regard to foreign visitors, however, it was reckoned that the number was considerably larger than last year The general impression about the Fair was that on the whole it compared favourably with Fairs held in the pre-war days, although it was not as big as the one held in 1928, which is apparently considered as the high-water mark for the Leipzig Fair With regard to business itself, a considerable number of enquiries was received These may be divided into two categories (a) enquiries of an urgent nature, where goods were required more or less immediately, and (b) general enquiries with future prospects of business Over one hundred enquiries were received under category (a) The enquirers concerned were asked to give details as to usual terms of business, bank references, etc , and in return were given the name and address of the supplier and all information regarding prices, customs duties, and delivery

Fifty per cent of these enquiries covered manufactured articles, such as joss sticks, silk goods straw baskets, lace, sports goods, carpets, ivory ware, wood and brass ware, mats and matting, while the remainder were in respect of all kinds of Indian raw products, *such as timber, spices, crushed bones, horns, kapok, drugs, hemp,* reptile skins, hides and skins, oilseeds and oilcakes, oils, mica, tea, coffee, rice, shellac, bamboo, fibres, guts and jute The enquiries emanated from most of the countries with which this office is concerned, i e , Czechoslovakia, France, Poland, Holland, Austria, Hungary, Switzerland and Sweden, and also from countries outside the jurisdiction of this office, such as Italy, England, Roumania, and Cuba

Enquirers under category (b) were given all necessary information and a printed list, copy of which is appended to this report (Appendix D) showing the names and addresses of exhibitors and the class of exhibits noted against each About 200 of these lists were distributed

Apart from enquiries under categories (a) and (b) a number of enquiries of a more general nature regarding India's trade and

commerce, arts and crafts, industries and agriculture were received. Prospective tourists were given pamphlets about travel in India, which had been kindly supplied by the Central Publicity Office, Government of India, Railway Department, Delhi.

No orders were booked and the reluctance and caution exercised by buyers last year in this respect were also noticeable at this year's Fair, but it is hoped that the information given to the enquirers of both categories will eventually result in business.

The following enquiries of special interest may be mentioned. The buyers of two of the biggest departmental stores in Paris, "Printemps" and "Galeries Lafayette," asked for particulars regarding Indian sports goods and Indian arts and crafts. A similar enquiry was also received from the chief departmental store in Prague. After having received full particulars these buyers stated that they intended writing to the manufacturers direct with a view to business.

The representatives of two local hockey clubs called at the stand in order to make enquiries regarding the make of stick patronised by the Indian Olympic Hockey Team, which toured Germany in 1932. In addition a dealer asked whether he could be supplied with hockey sticks named after Dhyan Chand and Rup Singh, the well-known members of the Indian team. These enquirers were advised to communicate direct on the subject with the exhibitors of hockey sticks. Incidentally these enquiries point to the fact that Indian sportsmanship has indirectly advertised sports goods manufactured in India.

Considerable interest in the carpet exhibits was shown by furniture dealers, who purchased several of the cheaper and smaller sized samples. From conversations with them it transpired that a suitable carpet to match is generally included in each suite of furniture sold. The dealers said that a genuine Oriental carpet was a great attraction to prospective buyers of furniture, and the prices of our Indian carpets were so reasonable that they would be most suitable as a means of advertising their furniture. The carpets referred to were all of the cheaper quality. Carpet dealers, on the other hand, expressed their disappointment at not finding high quality carpet exhibits at the Indian Stand. At the same time they admitted that in these days of depressed trade there is a very limited demand for these articles of luxury, and most of these dealers wanted to do business in high-class carpets on a consignment basis.

Exhibits of lacquered work were thought to be on the expensive side, and lamp-stands of lacquered wood equipped with electrical fittings, were considered unmarketable in Germany. The opinion was generally expressed that Indian arts and crafts lose their attractiveness if adapted to modern inventions. Ivory inlaid tables were chiefly sought after by buyers of high-class firms of interior decorators, whereas cheap brassware, particularly smoker's requisites (ash trays, cigarette boxes) were enquired for by buyers of



EXHIBITS OF RAW MATERIALS AND PRODUCE, LEIPZIG SPRING FAIR, 1933

departmental store Only two enquiries were received for silk goods although these were generally admired The reason for this small number is that, for the time-being at any rate, silk textiles are regarded as being on the expensive side The tendency is to look for cheaper articles to take the place of the more expensive lines, and the present times are not very favourable to any sort of trade in fancy goods It must also be borne in mind that a special exhibition of textiles was held in a different building at Leipzig, and that, therefore, buyers of this class of goods only visited the building concerned Joss sticks, which were burnt at the stand, attracted many visitors, and quite a considerable number of enquiries were received

With regard to manufactured goods, visitors in many cases asked for the name and address of the Indian manufacturer's European agent, so that they could procure their requirements at short notice and thereby save the time between ordering and receiving the goods from India This desire on the part of buyers is due to the fact that they cannot afford to keep large stocks One of this year's participants, who has been an exhibitor at the Indian Stand for many years past, has profited by his previous experience at the Fair, and has now appointed an agent on the Continent Buyers interested only in small quantities who, in the ordinary way would not have cared to order direct from India, were in this case given the name and address of the agent concerned Indian exporters of manufactured goods should make a note of this fact, and it may be pointed out here that on application to this office every effort will be made to put firms in India in touch with suitable agents Many enquiries were also received from German merchants who are debarred from importing direct from India on account of foreign exchange restrictions at present in force In accordance with these regulations firms who did not require foreign money for their business transactions prior to 1931 are not granted the necessary licence to obtain foreign currency The firms concerned depend for their requirements from foreign countries entirely on German importers who have been engaged in the import trade prior to the enforcement of the German laws in question It was necessary, therefore, to refer these enquirers to importers who had made enquiries at the Indian stand for the relevant article

With regard to enquiries for raw materials it was a noticeable feature that these chiefly came from importers who have in the past been importing commodities such as India produces from countries other than India This is noteworthy inasmuch as it clearly indicates that publicity at the Fair tends to add to the volume of India's export trade provided her goods are competitive, both as regards price and quality

The total expenditure of India's participation at the Leipzig Fair was just under £ 300, and in this connection it should be men-

tioned that many Governments, realising the advantages of expenditure on publicity at the Leipzig Fair have for many years past been participating on behalf of their respective countries on a very elaborate scale. The commercial, diplomatic and consular representatives of many countries visited the Fair for the purpose of studying Government trade propaganda and modern advertising developments. Apart from the consular representatives of various countries, the Minister for Finance and Economic Affairs in Saxony, the Roumanian Ambassador, and the Counsellor and other members of the British Embassy at Berlin visited the Indian Stand and inspected the exhibits on display.

In conclusion, it may be stated that, difficult as the selling problem is to-day in view of the various trade and monetary restrictions, the results achieved at the Leipzig Fair have again proved that participation at this Fair is a most suitable way of stimulating the interest of foreign merchants in Indian produce and manufactured goods.

There are other international fairs and regional marketing and advertising exhibitions in which many Governments participate, and at which India could most usefully advertise her goods and products. In the past India has participated at certain international fairs (e.g., Prague, Vienna, Lyons, Brussels) and the arrangements were in charge of the Indian Trade Publicity Officer in London. There is also another class of exhibitions where Indian food products such as rice, tea, coffee, condiments, spices, etc., could be brought to the notice of the general public. A great deal of very useful publicity work by means of practical demonstrations and the distribution of free samples and literature could be done at the many cookery, food and household exhibitions which are held in the important towns of Germany, such as Berlin, Hamburg, Cologne, Hanover, Breslau, etc. It is well known that certain rice-producing countries are making great efforts to increase their sale of rice in Germany, and India would do well to defend one of her most valuable markets by participating at these grocery, food and cookery exhibitions, where the German housewife could see with her own eyes the various methods of cooking rice and the preparation of appetising dishes from Indian products. This type of publicity work would be as effective and successful in Germany as it has proved to be in England, and would do much to stimulate the interest of the German public in Indian rice, chutneys, condiments and spices. It has, however, been impossible to take part in international fairs other than Leipzig or in any of the exhibitions referred to above for want of funds. It is hoped that in the near future the financial situation will render possible a substantial increase in the publicity grant of this office, enabling it to participate in many more exhibitions and fairs in the interests of India's export trade.

Chapter VI —Miscellaneous

During the year under review many business visitors from India on a tour to Europe called at this office They were afforded every assistance in the way of information, advice and introductions to business firms chambers of commerce and trade associations Many of the visitors came with letters of introduction from the Director General of Commercial Intelligence and from Chambers of Commerce in India, advance copies of which had been received here prior to the visitors arrival This enabled the office to put in hand preliminary enquiries and thus a certain amount of information was ready for the enquirer on arrival It will be of interest to record a few of the enquiries made by commercial visitors from India The managing director of the Pioneer Magnesia Works Bombay came to Hamburg with a view to pushing sales of Magnesium Chloride manufactured at the company's factories in India Assistance was given and the gentleman was also given a letter of introduction to the Reichsverband der Deutschen Industrie, Berlin, as he was desirous of purchasing heavy machinery for his works The representative of an importing firm in Bombay dealing in camphor, chemicals and hardware was given introductions to manufacturers in these lines The managing proprietor of a Bombay firm doing business in mill store supplies called here and was put in touch with manufacturers of shuttles for special weaving He also brought sample boxes and was put in touch with manufacturers of machinery for manufacturing these boxes in Bombay He was also put in touch with manufacturers of machinery for weaving special kinds of cloths of which he had brought samples The business manager of a soap factory in Calcutta was introduced to manufacturers of machinery in connection with soap manufacture The partner of an Amritsar firm of importers was put in touch with manufacturers of safety razor blades battery cells, pencils tapes and other sundry goods He was also put in touch with manufacturers of machinery for the manufacture of pencils The representative of a firm of electrical engineers in Bombay was put in touch with manufacturers of electrical tools and equipment The manager of a hosiery factory in Calcutta was introduced to manufacturers of machinery for hosiery manufacture The representative of another Calcutta firm was put in touch with manufacturers of machinery for the manufacture of boots and shoes in Calcutta The proprietor of an importing house with branches at Delhi, Agra and Cawnpore, was put in touch with manufacturers of paper stationery, ink, pencils fountain pens and other sundries An Indian merchant on a visit to Germany for the purpose of purchasing second hand looms and knitting machinery, found himself in difficulties over the contract which he had signed on the eve of the emergency export tax placed on second hand machinery intended for export out of

Germany. The necessary help and advice was given and the facts of his case were reported to the proper authorities with a request for alleviation in view of the special circumstances involved. Relief was granted to this merchant by the authorities. It will be seen from the above that the great majority of the Indian visitors came to Germany for the purpose of purchasing machinery for the manufacture of various articles in India.

The following enquiries are chosen for record from among those which emanated from Government Departments and officials in India and from Indian States during the period under review. The Madras Forest Department sent samples of 18 different classes of sandalwood for distribution among wood and timber merchants in Germany for the purpose of eliciting trade opinion on the samples sent and obtaining some idea of what sort of prices these classes of sandalwood would be likely to fetch here. The samples were received and distributed among firms and the opinions and quotations of some firms have been transmitted to the Department in Madras. Other firms asked that the Department should make quotations as they had not done any previous business in sandalwood. It appears that a great deal of interest was taken in these sandalwood samples and there is every expectation that business is likely to result in the near future between German importing firms and the Forest Department in Madras. The Agricultural Department in Burma sent a small sample consignment of Moki Lima beans and Sieva Pole Lima beans for the purpose of a report on the possibilities of marketing these beans on the Continent. Expert trade advice was obtained on the sample beans and a report sent out regarding marketing and prices. Later in the year the Department desired to despatch a trial consignment of three tons of these beans, but arrangements were eventually made for a private firm in Rangoon to test out a trial consignment in European markets. The Kerala Soap Factory in Madras was put in touch with exporters in Germany of fish oil and fish oil residues and also with exporters of double distilled stearine. The Director of Industries in Bengal requested this office to procure particulars of machinery, etc., for the manufacture of bicycles and hurricane lanterns on the smallest possible economic unit. Extensive enquiries were made and detailed particulars of such machinery together with estimates and catalogues were obtained from several manufacturers and forwarded to the Director. The Indian Central Cotton Committee asked this office for particulars of the demand for short-staple Indian cotton in Continental countries with particular reference to the nature of the existing demand and probable future trend, together with an estimate of the probable annual requirements from the principal consuming countries. Detailed enquiries were made in Hamburg, Bremen, Berlin and other German centres, and also in Belgium, France, and Holland, both from merchants and spinners. Full reports covering Germany, France, Belgium and Switzerland were

transmitted to the Cotton Committee As a result of this enquiry it was ascertained that there is a definite demand in Germany, France and Belgium, for the short staple Indian cotton and that this type of cotton possesses qualities which no other type can supply and that the opinion of the trade is that it would be a mistaken policy for India to give up growing the short staple varieties, which are well known and in good demand, in favour of longer staple varieties which both America and Egypt can supply much better and much more cheaply An enquiry was received from the Director of Industries United Provinces, asking for names of reliable firms in the larger German cities who would be able to sell the products of the U P cottage industries such as textiles, embroidery, inlaid wood work, brassware, pottery, etc Enquiries were made and the names of several firms willing to do this business were forwarded to the Director The Director of Industries, Madras, wrote to enquire about the various uses to which bamboos are put in certain Continental countries Enquiries were put through in Germany, France Sweden, Denmark and Norway, and a full report was drawn up and sent to the Director It was ascertained that in Germany and Denmark bamboos are used for fishing rods, crossbars and poles for wireless aerials and for various kinds of sticks In Sweden and Norway they are chiefly used for fishing rods and skiing sticks The Director of Industries, Bihar and Orissa, also enquired about bamboos, and wanted names of importers These were given, as also the information obtained for the Madras Director The Director of Industries Madras sent a sample of five pounds of Eri Silk cocoons and wanted information as to the demand for the product and possible importers Enquiries were made in Germany France, Switzerland, Belgium and Czechoslovakia, but the results were disappointing and most of the replies were to the effect that the Eri Silk sent from Madras was of no interest to silk dealers and spinners The spinners said that the quality of the silk was such that it could only be used as silk waste The Director of Industries, Bombay, made an enquiry for prospective importers of Papain in Germany and France From enquiries made it was found that Papain was unknown here and samples were asked for from India and obtained It was eventually ascertained that it was used in the manufacture of toilet creams and pharmaceutical preparations, and the names of firms interested in Papain in France and Germany were sent out to India The demand is a very limited one and consignments often have to be stored for some time before they can be sold Prices have fallen considerably, due to abnormal imports from Japan and Mexico The Minerals Department of Kashmir State sent descriptive pamphlets of Kashmir aquamarine and sapphire and wanted names of firms interested in their purchase Samples were obtained and sent to experts for examination and report and the results of this investigation were conveyed to India The Forest Department of

Jhalawar State wanted to find out the commercial possibilities of Boswellia Serrata Gum and a sample was sent. The sample was distributed among likely firms and the names of those interested in this commodity were reported to India. Reference has been made in an earlier chapter to the enquiry from Kashmir State for users of walnut timber for butt ends of rifles and guns. The Trade Commissioner for Mysore in London sent samples of Mysore Coffee for expert inspection by firms in Germany and Czechoslovakia with a view to ascertaining prices in those countries. This was done for him and names of interested dealers were supplied to London.

The following enquiries were received during the year from the Indian Chamber of Commerce in Great Britain and were attended to: Names of German exporters of wood used in the manufacture of matches were ascertained and forwarded to the Chamber. Names and addresses of Manila rope manufacturers in Germany were asked for and given. The Chamber was supplied with names and addresses of German importers of mica and mica splittings. A list of German manufacturers of Chinese blue and moulding boards was forwarded to the Chamber. Names of importers in Germany of myrobalans and nux vomica were enquired for and sent. The following enquiry from the Bureau Voor Handelsinlichtingen, Amsterdam, is worth mentioning: The Bureau wished to have full details of the sugar factories which it was contemplated setting up in various parts of India. Information was obtained from India on the Bureau's behalf from the Imperial Council of Agricultural Research, and forwarded to Amsterdam. The motive behind this enquiry was, of course, to address the various companies setting up these factories with a view to selling sugar factory machinery.

Mention has been made in the first chapter of this Report that one of the functions of this office is to assist importers in India who desire to be put in touch with Continental manufacturers and exporters of finished goods. Large numbers of such enquiries are received from India and are dealt with as part of the ordinary work of the office. From among the numerous enquiries received from Indian importers the following are selected for mention: A firm in Karachi wanted to be put in touch with Norwegian manufacturers of machinery for fish-canning. Names of manufacturers in Norway interested in the enquiry were sent to Karachi. A Calcutta firm of lock manufacturers was supplied with names of manufacturers of machinery for lock manufacture. A firm in the United Provinces desired to know where they could get up-to-date machinery for the manufacture of essential oils. The information was obtained and sent out. A firm in Madras manufacturing inks was placed in touch with manufacturers of machinery for making distilled water, composition corks and tin-tipped corks for ink bottles. An oil and chemical factory in Central India wanted to erect a small plant for the manufacture

of Vegetable Ghee from the oils manufactured by the factory The name of a specialist firm manufacturing such plant was passed on to the Indian factory An engineering firm in Bombay decided to start a factory for the manufacture of electrical wires and cables, and bakelite switch and electrical accessories Enquiries were made and the names of makers of machinery for the manufacture of these articles were reported to the Bombay firm A Punjab firm was put in touch with manufacturers of a small plant for the manufacture of safety razor blades A firm in Lahore was introduced to makers of machinery for the manufacture of electric bulbs in India A Calcutta firm manufacturing brass and gunmetal water, steam and fire fittings, was put in touch with manufacturers of hollow copper balls for use with ball valves

A firm of engineers in Calcutta wanted to be put in touch with a firm of glass manufacturers in Germany making a special type of glass Enquiries were made and the names of two manufacturers reported to Calcutta A Calcutta firm of importers and agents was introduced to makers of crude oil engines with a view to securing their representation in Calcutta A firm in Lahore was put in touch with manufacturers of toys in Czechoslovakia A firm in Ahmedabad stated they were large importers of Farina and were in a position to purchase 100 tons every month, and wanted connections directly with manufacturers Enquiries were made and the names of manufacturers in Germany and Holland interested in the enquiry were sent out to India A firm in Karachi were put in touch with manufacturers of modern cooking apparatus An importing house at Delhi was supplied with names of manufacturers of copper wires and wire netting A firm in Narsapur, South India, manufacturing desiccated coconuts, was put in touch with manufacturers of modern machinery suitable for desiccation An importing firm in Calcutta was introduced to manufacturers of razor blades and razors with a view to representation in the Calcutta market A firm in Agra was supplied with names of manufacturers making rubber hose pipes for fire service A firm in Calcutta was introduced to a manufacturer of watches and clocks in Switzerland with a view to representation in Calcutta The Director General of Commercial Intelligence wanted on behalf of an enquirer names of manufacturers and exporters of Aluminium, Brass and German Silver Plate pressed wares and household utensils in Germany Enquiries were put through and the names of manufacturers sent out to Calcutta A firm in Tanjore was supplied with names of manufacturers of enamelled advertisement boards

The above enquiries give a good idea of the variety of goods for which enquiries are made from India The machinery enquiries are especially interesting

Chapter VII.—Staff and Acknowledgements.

The Indian Trade Commissioner at Hamburg has the following personnel on his staff:—

(i) A Chief Clerical Officer.

(ii) A first assistant clerical officer and shorthand typist.

(iii) A second assistant clerical officer.

The Chief Clerical Officer exercises general supervision over the work of the office, and performs the duties of an assistant trade commissioner. He is in charge of the cash and the accounts of the office. He deals with all incoming letters first and has them placed on their appropriate files for submission to the Trade Commissioner. He also deals with all routine matters and files. He receives and interviews business visitors and attends to telephone enquiries. When the Trade Commissioner is away from headquarters on tour or on holiday, the Chief Clerical Officer takes entire charge of the office and carries out the duties of the Trade Commissioner. The first assistant clerical officer is in charge of the registers of incoming and outgoing letters, and maintains all important files frequently in demand by the Trade Commissioner and the Chief Clerical Officer, performs the greater portion of the shorthand and typing work of the office, is in charge of the Office Library, and carries out other secretarial work required by the Trade Commissioner and the Chief Clerical Officer. The second assistant clerical officer maintains all the office files, places them in their proper cabinets, indexes and sorts all letters in their respective files, performs a certain amount of shorthand and typing work, and is in charge of office stamps and the outgoing mail work. He is also in charge of the work of maintaining the various card-index systems of the office. The High Commissioner accorded his sanction to the employment of a temporary clerical officer during the greater part of the year under review. This temporary officer was entrusted with the whole-time work of bringing up-to-date and maintaining the card-indices and the registers of importers and exporters maintained in the office. It was found that this took up the whole time of one clerical officer and it was not possible for the second assistant clerical officer to perform this task properly in addition to his other multifarious duties. Proposals have been submitted to the High Commissioner for the addition to the staff of a third assistant clerical officer on a permanent basis. I record here my gratitude to the staff of my office for their continued support, loyalty and service. They have at all times been zealous to maintain the efficiency and good name of the office.

In concluding this Report I take the opportunity of expressing my thanks and appreciation to the departments of the Governments to which I am accredited for the courtesy, assistance and advice which they have always accorded to me. I owe a deep debt of gratitude to the diplomatic, consular and commercial officers of His Britannic Majesty's Government in all the countries within my jurisdiction for their ready help and co-operation in my work, and for their sympathetic advice and guidance in all important matters. My acknowledgments are due to all Chambers of Commerce and trade associations in India and Europe for their assistance in my work. I take this opportunity also of thanking very heartily the proprietors and editors of newspapers and publications in India who have continued to give me their valuable support in my efforts to equip the Trade Commissioner's Reading Room with reading material of general and commercial interest for the benefit of visitors, both Continental and Indian.

APPENDIX A—I.

IMPORTS INTO GERMANY OF PRINCIPAL COMMODITIES EXPORTED FROM INDIA.

(In Doppelzentners : 1 Dz. = 100 kilos, 10 Dz. = 1 metric ton.)

—		January to December, 1932.	January to December, 1931.
Jute (raw and waste)	**Total**	**759,384**	**834,578**
Share : British India		754,674	833,501
China		1,511	746
Dutch Indies		3,199	—
Jute bags	**Total**	**14,024**	**31,645**
Share : British India		5,251	10,949
Czechoslovakia		406	13,873
Holland		2,878	2,906
Jute cloth (sacking)	**Total**	**10,970**	**11,860**
Share : British India		3,393	7,247
Czechoslovakia		1,270	2,041
Austria		—	1,349
Holland		3,654	376
Jute cloth (bleached, dyed and worked)	**Total**	**6,729**	**5,124**
Share : British India		5,327	3,537
Holland		832	—
Cotton (raw)	**Total** in bales	**1,779,537**	**1,558,873**
Share : British India		113,179	200,914
U.S.A.		1,389,110	1,111,215
Egypt		98,557	88,203
Peru		37,686	49,885
	Total in Dz.	**3,747,159**	**3,254,774**
Share : British India		205,808	358,885
U.S.A.		2,960,131	2,367,494
Egypt		329,309	293,505
Peru		83,946	102,095
Indian hemp	**Total**	**20,492**	**11,703**
Share : British India		17,774	4,770
Dutch Indies		1,794	3,336
Sisal hemp	**Total**	**353,666**	**289,047**
Share : British India		6,519	1,449
Dutch Indies		118,139	104,562
British East Africa		98,432	131,222
Coir fibre	**Total**	**10,353**	**9,242**
Share : British India		5,078	4,951
Ceylon		5,030	4,215
Coir yarn	**Total**	**69,641**	**62,232**
Share : British India		67,933	58,847
Ceylon		1,245	2,471
Dutch Indies		—	669

APPENDIX A—I (*continued*).

—			January to December, 1932	January to December, 1931
Rice—polished		**Total**	**1,205,099**	**1,322,467**
Share	British India		421,554	406,838
	U S A		247,254	222,603
	Brazil		35,143	133,128
	Dutch Indies		97,289	130,303
	Italy		78 081	106,440
Rice—unpolished		**Total**	**2,641,671**	**2,742,346**
Share	British India		2,198,775	2 566,865
	Brazil		2,710	44,591
	Persia		84,577	38,320
	Dutch Indies		210,918	22,166
Rice bran		**Total**	**1,387,214**	**892,976**
Share	British India		575,532	371,045
	Italy		68,244	165,781
	U S A		192,271	38,824
	Holland		70,603	110,288
	Siam		113,635	14,657
Coffee		**Total**	**1,302,956**	**1,564,473**
Share	British India		9 746	15,739
	Brazil		577,340	688,829
	Guatemala		226,662	281,622
	Salvador		105,424	169 047
Tea		**Total**	**47,976**	**52,943**
Share	British India		12,604	15,532
	Dutch Indies		21,586	20,601
	Ceylon		9 396	10 567
	China		3 860	5,782
Pepper (Black and white)		**Total**	**51,847**	**51,516**
Share	British India		9,838	12,394
	Dutch Indies		31,619	32,629
	British Malaya		10 189	6 066
Maize and Dari (of Dari exporting Countries)		**Total**	**7,597,296**	**5,072,349**
Share	British India		261,677	287,386
	British East Africa		2,745	38 027
	Egypt		—	88 691
	Persia		430 780	274,044
	China		177,319	207,039
	Palestine		3 108	54 923
	Other Asiatic Countries		29 059	228 065
Myrobolans		**Total**	**57,830**	**62,205**
Share	British India		56,052	62 103
Cow hides (wet)		**Total**	**773,620**	**722,566**
Share	British India		839	2 304
	Argentine		330 241	245 275
	Brazil		18,162	96,195
	Uruguay		60 073	51 034

APPENDIX A—I (*continued*).

—		January to December, 1932.	January to December, 1931.
Cow hides (dry)	**Total**	**182,970**	**217,120**
Share :	British India	29,576	38,954
	Brazil	34,411	43,656
	Argentine	39,092	43,542
	Uruguay	9,270	14,156
Sheep skins (raw)	**Total**	**57,901**	**57,009**
Share :	British India	308	380
	Soviet Russia	28,780	22,175
	Iceland	5,449	9,314
Goat skins (raw)	**Total** pieces	**5,280,452**	**4,693,851**
Share :	British India ,,	1,196,116	1,210,242
	China	356,351	514,854
	Spain	1,048,160	363,609
	Egypt	662,988	217,351
Reptile skins (raw)	**Total** pieces	**3,363,490**	**1,536,734**
Share :	British India	640,329	183,978
	Brazil	1,755,159	743,331
	Dutch Indies	357,978	365,999
Teak	**Total in Dz.**	**4,220**	**10,350**
Share :	British India	2,570	4,540
	U.S.A.	—	1,977
	Dutch Indies	269	1,792
	Siam	1,143	1,450
Rape seed	**Total**	**185,937**	**159,710**
Share :	British India	106,835	23,243
	Roumania	10,050	63,324
	Poland	33,596	29,777
Niger seed	**Total**	**18,219**	**8,419**
Share :	British India	14,347	8,008
	British West Africa	3,517	—
Groundnuts (undecorticated)	**Total**	**248,777**	**854,406**
Share :	British India	28,875	75,419
	French West Africa	72,843	358,433
	British West Africa	20,224	183,937
	China	118,663	170,870
Groundnuts (detorticated)	**Total**	**2,177,363**	**4,993,301**
Share :	British India	1,523,005	1,024,523
	British West Africa	134,919	435,752
	China	387,024	404,267
Linseed	**Total**	**4,463,534**	**3,404,931**
Share :	British India	89,654	100,150
	Argentine	4,256,153	3,134,453
	Lithuania	15,751	38,144

APPENDIX A—I *continued.*

—			January to December, 1932	January to December, 1931
Kopra		**Total**	**1,306,389**	**1,451,257**
Share	British India		46,542	60,692
	Dutch Indies		1,054,696	1,121,825
	British Malaya		54,869	91,005
	Ceylon		55,085	83,117
Oilcakes :—				
Cotton seed		**Total**	**621,296**	**479,788**
Share	British India		4,760	9,100
	Argentine		119,605	162 596
	Egypt		92,840	111,570
	Brazil		134,207	61,555
Groundnut		**Total**	**1,894,163**	**1,708,996**
Share	British India		784,661	755,351
	France		667,832	287,095
	Argentine		158,151	155,022
	Holland		51,784	151,960
Kopra		**Total**	**1,018,037**	**969,747**
Share	British India		51,139	47,039
	Philippines		462,976	485,948
	Dutch Indies		204,774	181,289
Linseed		**Total**	**1,146,563**	**1,070,286**
Share	British India		43 890	18 906
	Soviet Russia		525 243	279,680
	Holland		106,803	122,643
	U S.A		83,351	203,127
	Poland		91,503	104,296
***Animal bone* manure, blood meal, etc.**		**Total**	**263,344**	**349,116**
Share	British India		29,762	42,985
	Argentine		114 259	100,465
	Uruguay		14,022	39,658
Bone meal		**Total**	**43,222**	**85,346**
Share	British India		28 416	48,710
	Argentine		6,280	14,001
	Denmark		5,598	11,753
Gum lac		**Total**	**24,132**	**30,644**
Share	British India		23,769	29,615
	Siam		244	681
Shellac		**Total**	**19,945**	**24,748**
Share	British India		10 216	24,426
	Dutch Indies		416	141
Pig iron		**Total**	**626,282**	**1,174,787**
Share	British India		91,137	153 753
	France		210,849	362 633
	Saar Territory		68,742	203,891
	Great Britain		87,904	132,595
Tin		**Total**	**121,098**	**135,132**
Share	British India		29,328	13 582
	Dutch Indies		31,311	60,421
	British Malaya		23,869	24,687

APPENDIX A—I. *(continued)*.

—		January to December, 1932.	January to December, 1931.
Manganese	**Total**	**1,067,791**	**1,623,613**
Share : British India		56,667	233,858
Soviet Russia		853,380	1,114,574
Egypt		76,007	111,917
Wolfram ore	**Total**	**17,141**	**48,223**
Share : British India		6,318	11,689
China		8,857	28,845
Pig lead	**Total**	**506,566**	**645,702**
Share : British India		16,569	19,985
Australia		245,104	243,124
Mexico		87,578	177,405
Spain		37,692	14,845
Mica (raw)	**Total**	**3,939**	**3,467**
Share : British India		3,095	2,553
Argentine		106	214
Great Britain		142	211
Magnesite	**Total**	**345,196**	**500,002**
Share : British India		2,012	3,984
Austria		156,295	213,988
Czechoslovakia		94,132	116,556
Greece		64,448	91,472
Paraffin wax	**Total**	**149,314**	**128,295**
Share : British India		12,725	17,264
U.S.A.		119,510	90,856
Dutch Indies		8,148	5,474
Russia		4,637	318
Czechoslovakia		980	11,984

APPENDIX A—II

Imports into Germany of Principal Commodities Exported from India

(In Doppelzentners 1 Dz = 100 kilos, 10 Dz = 1 metric ton)

—				January to March 1933	January to March 1932
Jute (raw and waste)			**Total**	**276,522**	**202,876**
	Share	British India		275 060	202 116
Jute bags			**Total**	**14,182**	**2,745**
	Share	British India		2,449	1 246
		Holland		3,257	842
		Belgium		3 001	—
Jute cloth (sacking)			**Total**	**4,481**	**2,323**
	Share	British India		504	1 426
		Holland		3 087	—
		Czechoslovakia		—	204
Jute cloth (bleached dyed and worked)			**Total**	**1,322**	**116**
	Share	British India		1,211	—
Cotton (raw)			**Total in bales**	**499,794**	**518,390**
	Share	British India		38 114	35 362
		U S A		387 387	410 633
		Egypt		36 839	35 187
			Total in Dz	**1,074,306**	**1,096,921**
	Share	British India		70 581	63 180
		U S A		821 310	869 790
		Egypt		120 872	116 344
Indian hemp			**Total**	**8,937**	**4,513**
	Share	British India		7 943	4 263
		Dutch Indies		—	250
Sisal hemp			**Total**	**80,271**	**71,697**
	Share	British India		1 056	—
		Dutch Indies		30 484	12 035
		British East Africa		18 567	31 349
		Tanganyika		18 212	12,073
Coir fibre			**Total**	**1,164**	**2,630**
	Share	British India		722	1 116
		Ceylon		442	1 401
Coir yarn			**Total**	**21,265**	**18,061**
	Share	British India		20 710	17 712

APPENDIX A—II. (*continued*).

—		January to March, 1933.	January to March, 1932.
Rice (polished)	**Total**	**279,449**	**286,632**
Share :	British India	84,727	84,080
	U.S.A.	53,771	74,896
	Siam	52,956	10,546
	Italy	29,470	24,100
	Dutch Indies	16,961	27,677
	French Indo-China	11,590	11,082
	Brazil	3,080	7,075
Rice (unpolished)	**Total**	**323,644**	**365,128**
Share :	British India	298,717	343,716
	French Indo-China	2,642	—
	Dutch Indies	2,389	1,520
	Persia	2,581	9,103
	Siam	4,090	—
Rice bran	**Total**	**294,284**	**253,640**
Share :	British India	94,052	106,037
	U.S.A.	50,299	54,933
	Dutch Indies	18,870	17,071
	Siam	58,540	—
Coffee (raw)	**Total**	**296,570**	**354,068**
Share :	British India	1,910	2,607
	Brazil	107,441	182,562
	Guatemala	52,611	52,235
	Salvador	27,402	24,788
Tea	**Total**	**10,809**	**13,365**
Share :	British India	2,676	3,561
	Dutch Indies	4,953	5,845
	Ceylon	2,270	2,554
	China	832	1,244
Pepper (white and black)	Total	**12,094**	**12,208**
Share :	British India	2,428	2,508
	Dutch Indies	6,896	7,638
	British Malaya	2,770	1,980
Maize and Dari	**Total**	**985,358**	**1,734,581**
Share of Dari Exporting countries :			
	British India	3,890	153,892
	China	2,980	31,593
	Persia	951	116,889
	Dutch Indies	—	2,370
	Palestine	—	1,476
	Other Asiatic countries	203	18,616
Myrobolans	**Total**	**16,609**	**16,943**
Share :	British India	16,406	16,443
Cow hides (wet)	**Total**	**166,322**	**156,703**
Share :	British India	122	241
	Argentine	72,717	66,295
	Brazil	10,896	17,514

APPENDIX A—II. (*continued*)

—				January to March 1933	January to March 1932
Cow hides (*dry*)			Total	61,845	52,822
	Share	British India		7 204	6 574
		Argentine		16 060	12 774
		Brazil		13 011	12 087
Sheep skins (*raw*)			Total	12,159	13,355
	Share	British India		—	—
		Soviet Russia		3 635	6 679
		Great Britain		1 031	1 940
Goat skins (raw)			Total pieces	1,037,832	1,034,319
	Share	British India		135 773	237,418
		Spain		172 136	172 818
		Czechoslovakia		105 820	99 068
		Egypt		143 078	50 100
Reptile skins (raw)			Total pieces	894 962	475,156
	Share	British India		162 340	62 318
		Brazil		467 241	211 207
		Dutch Indies		47 616	102 944
Teak			Total in Dz.	1,276	2,887
	Share	British India		521	1 972
Rapeseed			Total	64,882	25,616
	Share	British India		39 845	7 031
		Poland		5 873	8 005
		Roumania		293	5 716
Nigerseed			Total	4,562	5,694
	Share	British India		2 845	3 632
Groundnuts (undecorticated)			Total	175,331	100,123
	Share:	British India		62 805	15 969
		French West Africa		88 795	41 719
		China		27 719	22 333
Groundnuts (decorticated)			Total	748,108	868,143
	Share	British India		579 185	703 30[illegible]
		British West Africa		96 49[illegible]	92 271
		China		48 725	65 044
Linseed			Total	1,225,755	835,459
	Share:	British India		27 908	[illegible]0 197
		Argentine		1 159,56[illegible]	[illegible]8[illegible] 017
Kopra			Total	259 421	311,728
	Share	British India		3 26[illegible]	21 785
		Dutch Indies		210 60[illegible]	233 24[illegible]
		Ceylon		6 230	21 012
		British Malaya		13 73[illegible]	13 434

APPENDIX A—II. (*continued*).

—		January to March, 1933.	January to March, 1932.
Oilcakes :—			
Cottonseed	**Total**	**244,939**	**158,672**
Share : British India		—	1,427
U.S.A.		70,011	42,990
Argentine		35,687	32,731
Egypt		41,238	28,818
Soviet Russia		46,921	—
Groundnut	**Total**	**677,719**	**463,427**
Share : British India		314,197	172,832
France		212,612	161,800
Kopra	**Total**	**354,485**	**223,713**
Share : British India		30,563	6,566
Philippines		127,334	108,290
Dutch Indies		75,473	49,567
Linseed	**Total**	**394,594**	**317,006**
Share : British India		3,483	19,500
Soviet Russia		170,348	154,026
Holland		30,606	30,012
U.S.A.		9,225	24,711
Czechoslovakia		40,089	12,567
Rapeseed	**Total**	**34,365**	**24,425**
Share : British India		—	—
Argentine		10,906	16,926
Roumania		3,114	4,038
Italy		14,863	—
Animal bone manure, blood meal, etc.	**Total**	**83,514**	**65,573**
Share : British India		15,530	11,518
Argentine		30,343	19,170
Holland		9,499	12,433
Gum lac	**Total**	**4,401**	**9,003**
Share : British India		4,216	[illegible]
Shellac	**Total**	**4,846**	**4,940**
Share : British India		4,778	[illegible]
Pig iron	**Total**	**184,801**	**126,351**
Share : British India		27,445	20,444
France		43,730	40,924
Great Britain		13,235	29,584
Belgium		21,967	5,020
Tin	**Total**	**33,693**	**27,974**
Share : British India		7,757	[illegible]
Dutch Indies		10,755	[illegible]
British Malaya		4,691	5,738
Manganese	**Total**	**339,033**	**265,855**
Share : British India		102,976	[illegible]
Soviet Russia		206,800	[illegible]
Dutch Indies		3,398	18,384

APPEN

PRICES OF PRINCIPAL INDIAN COMMODITIES QUOTED ON

—	January, 1933.			
	1st week.	2nd week.	3rd week.	4th week.
Oils (Hamburg, in Marks p. 100 kilos).				
Linseed	27¼	28	27	27
Groundnut	38	37½	37	37
Cocos	33¼	33¼	32	32
Palmkernel	30½	30½	29¼	29¼
Palm	26–21	25–20	23–19	21–20
Castor	48–43¾	47–42¾	46–41¾	46½–42¼
Oils (London, in sh. per cwt.).				
Linseed, spot	17/7½	18/7½	17/-	17/1½
January-April	17/9¾	17/10½	17/4½	—
March- April	—	—	—	—
May-August	—	19/-	18/7½	18/6
February-April	—	—	—	17/-
Palmkernel (Hull) spot	21/6	21/6	21/-	21/-
Palm (Lagos) spot	15/9	17/-	16/6	16/6
Groundnut, extracted (Hull) spot ..	—	30/9	—	—
Cocos (Ceylon)—				
January-February	23/3	23/-	23/3	23[illegible]
February-March	—	—	—	—
March-April	—	—	—	—
Castor, spot	39/-	36/-	37/6	37/6
Oilcakes (Hamburg, in Marks p. 50 kilos.).				
Cocos	5·05–10	5·10–15	—	5·35–25
Palm	4·40–45	4·50–60	—	4·70–[illegible]
Linseed	5·–/05	5·05–10	—	5·3[illegible]–20
Rape	3·55–60	3·50–55	—	3·45–55
Groundnut	5·25–30	5·25–30	—	5·[illegible]–35
Oilseeds (London, in £ per ton).				
Linseed—				
January-February	11	11⅜	11¼	11[illegible]
February-March	—	—	—	—
March-April	—	—	—	—
Palmkernels (Liverpool)—				
January-February	10½	10[illegible]	10¼	10[illegible]
February-March	—	—	—	—
March-April	—	—	—	—
Groundnuts, dry decort. (Coromandel).				
February	13⅛	13⅞	13[illegible]	13¼
February-March	—	—	—	—
April	—	—	—	.
May	—	—	—	
Castor—				
January-February	11½	11[illegible]	11¼	11¼
February-March	—	—	—	—
March-April	—	—	—	

DIX C

HAMBURG/BREMEN EXCHANGES JANUARY MARCH, 1933

February, 1933				March, 1933			
1st week	2nd week	3rd week	4th week	1st week	2nd week	3rd week.	4th week
27	27	25¼	25½	26	26¾	26¾	26
36	36	35	33½	30	33½	33½	30
31¼	30½	31	30½	28¼	33½	—	28¼
27¾	27¾	27¾	27	25	30¼	26¾	25
24 20	23-20	24 20	23-20	21-17	23-20	23-20	21-17
45½-42	46-43	45-42	43¾-42½	41¼-38¼	41½-38½	41½-38½	41¼-38¼
16/-	16/-	15/6	15/7½	16	16	16	16/3
—	—	—	—	—	—	—	—
—	—	15/4½	15 6	15/9	15/6	15/9	15/6
17/4½	17/3	16/6	16/3	16/9	16/7½	16/9	16/9
16/-	15/9	—	—	—	—	—	-
20	20/-	19/6	19/-	18/6	19/-	19/-	19/-
16 -	16/-	16/-	16/-	16/-	16/-	15/3	14/9
27/6	27/-	26/6	25/6	25/-	24/6	25/-	24/6
—	—	—	—	—	—	—	—
22/9	21/9	21/3	20/3	—	—	—	—
—	—	—	—	20/3	20/3	20/3	19/6
36/-	36 6	36/6	36/6	36/6	36/6	36/6	36/6
5 40-30	5 25-30	5 30-35	5 30-35	5 10-20	5 30-35	5 30-35	5 10-20
4 70-50	4 50-55	4 75-80	5 20-30	4 80-85	5 10 15	5 20-25	4 80 85
5 30 20	5 15-20	5 30-35	5 35-40	5 20-30	5 30-35	5 40-45	5 20-30
3 45-55	3 40-45	3 50-60	3 45-50	3 35-40	3 50-60	3 45-50	3 35-40
5 25-40	5 20-25	5 30-35	5 35-40	5 20-30	5 30-40	5 35 40	5 20-30
—	—	—	—	—	—	—	—
11	$10\frac{7}{16}$	10¼	10	—	—	—	—
—	—	—	—	$10\frac{1}{16}$	$10\frac{15}{16}$	10⅛	9¾
—	—	—	—	—	—	—	—
$9\frac{11}{16}$	9½	$9\frac{7}{16}$	9¼	—	—	—	—
—	—	—	—	$9\frac{1}{16}$	9¼	9⅜	9
—	—	—	—	—	—	—	—
$11\frac{11}{16}$	12½	$12\frac{7}{16}$	$11\frac{7}{16}$	—	—	—	—
—	—	—	—	$11\frac{7}{16}$	$11\frac{13}{16}$	$11\frac{13}{16}$	$11\frac{5}{16}$
—	—	—	—	—	—	—	—
11⅛	$10\frac{13}{16}$	10¼	10⅞	—	—	—	—
—	—	—	—	10¼	10½	10¼	10

—	January, 1933.			
	1st week.	2nd week.	3rd week.	4th week.
Spices (Hamburg, in Marks p.100 kilos, duty unpaid).				
Cinnamon	—	76–106	74–104	75–104
Pepper, black Lampong	—	68	67	64
Pepper, white Muntok	—	82	76	76
Arrow roots	—	80	80	76
Spices (London, in pence per lb.).				
Pepper, white Muntok—				
October-December	$5\frac{3}{4}$	$5\frac{1}{2}$	—	—
January-March	$5\frac{3}{4}$	$5\frac{1}{2}$	$5\frac{1}{8}$	$5\frac{1}{4}$
March-May	—	—	$5\frac{1}{4}$	$5\frac{3}{8}$
May-July	—	—	—	—
Pepper, black Singapore spot—	6	6	6	6
January-February	$4\frac{3}{4}$	$4\frac{3}{4}$	$4\frac{1}{2}$	$4\frac{5}{8}$
February-March	—	—	—	—
March-April	—	—	—	—
Pepper, black Lampong—				
October-December	$4\frac{5}{8}$	$4\frac{1}{2}$	—	—
January-March..	$4\frac{9}{16}$	$4\frac{5}{16}$	$4\frac{3}{16}$	$4\frac{1}{4}$
March-May	—	—	$4\frac{3}{16}$	$4\frac{1}{4}$
May-July	—	—	—	—
Cotton, East Indian (Hamburg, in pence per lb.).				
Superfine mgd Scinde white roughish Bremen Class 1.	4·40	4·35	4·30	4·30
Scinde Oomra Standard 1	4·80	4·70	4·65	4·65
Bremen Class 2				
Cotton, (Liverpool, in pence per lb.).				
M.G. Surtee F.G.	5·19	5·24	5·14	5·08
Broach M.G.F.G. good stable	4·81	4·93	4·83	4·77
Oomra I.M.G. central provinces stable superf.	5·12	5·17	5·07	5·01
Punjab-American M.G.F.G.good staple	4·71	4·76	4·66	4·60
Bengal F.G.M.G.	4·29	4·34	4·24	4·18
Bengal superfine	4.49	4·54	4·44	4 38
Scinde M.G.F.G...	4·29	4 34	4·24	4·18
Scinde superfine	4·49	4·54	4·44	4·38
Cotton (Bombay, in Rs. p. Candy). ..				
M.G. Bengal fully good—				—
December-January	1·61	1·67	1·61	1·56
March	1·60	1·66	1·59	..
May	—	—	—	—
July	—	—	—	
M.G. Oomra, fine—				—
December-January	1·79	1·85	1·80	1·76
March	1 85	1·84	1·79	—
May	—	—	—	..
July	—	—	—	

continued)

February, 1933				March, 1933			
1st week	2nd week	3rd week	4th week	1st week	2nd week	3rd week	4th week
76–104 64 73 76	76–101 65 74 78	76–104 65 74 78	76–104 — — —	74–104 65 76 78	74–100 66 82 78	— — — —	79–99 65 81 80
— 5¼ 5 3/16 — 5⅞ — 4⅝ —	— 4⅞ 4⅞ — 5⅞ — 4⅞ —	— 5 5/16 5 1/16 — 5⅞ — 4½ —	— 5¼ 5¼ — 5⅞ — 4½ —	— — 5½ 5½ 5⅞ — — 4½	— — — 5⅞ 5⅞ 5⅞ — — 4⅞	— — — 5½ 5⅞ — 4½	— — 5¼ 5¼ 4½ — 4½
— 4 3/16 4 3/16 —	— 4 3 15/16 —	4¾ 4½ —	— 4¾ 4 —	4½ 4 1/16	— — — 4½ 4 1/16	— — — 4 1/16 4½	— — 4½ 4 1/16
4·10 4·45	4 4·35	3·90 4·25	3·90 4·25	3·85 4·20	4·05 4·45	4 4·40	3·85 4·20
4·92 4·61	4·92 4·61	4·96 4·65	4·95 4·64	4·56 4·25	4·94 4·63	4·94 4·64	4·72 4·41
4·85 4·44 4·02 4·22 4·01 4·22	4·85 4·44 4·02 4·22 4·03 4·22	4·89 4·48 4·06 4·26 4·06 4·26	4·88 4·47 4·05 4·25 4·05 4·25	4·57 4·21 3·79 3·99 3·79 3·99	4·59 4·63 4·17 4·37 4·17 4·37	4·89 4·63 4·17 4·37 4·17 4·37	4·57 4·41 3·85 4·05 3·85 4·05
— 1·50 1·70 —	— 1·46 1·47 —	— 1·45 1·45 —	— 1·46 1·46 —	— 1·40 1·43 —	— 1·40 1·45 —	— 1·23 1·51 —	— — 1·43 1·46
— 1·67 1·68 —	— 1·60 1·65 —	— 1·63 1·64 —	— 1·64 1·65 —	— 1·59 1·60 —	— 1·66 1·65 —	— 1·72 1·71 —	— — 1·64 1·65

APPENDIX [illegible]

January, [illegible]

	1st week	2nd week	3rd week	4th week
Jute—continued				
Inferior marks—				
March April				
April May				
Rice (Hamburg, in sh. per 50 kilos, duty unpaid).				
Burma I R.C. spot	8 [illegible]	8 [illegible]	[illegible]	[illegible]
March April			[illegible]	[illegible]
Rangoon, AAA polished spot	[illegible]	[illegible]	[illegible]	[illegible]
March April			[illegible]	[illegible]
Rangoon AAA polished spot	11 [illegible]	11 [illegible]	11 [illegible]	11 [illegible]
March April			[illegible]	[illegible]
Moulmein AA spot	18	18	[illegible]	[illegible]
April May			[illegible]	[illegible]
Arracan AAA spot	11 3	11 3	[illegible]	[illegible]
March April			[illegible]	[illegible]
Siam AA polished spot	[illegible]	[illegible]	[illegible]	[illegible]
February March			[illegible]	[illegible]
Siam AAA polished spot	[illegible]	[illegible]	[illegible]	[illegible]
February March				[illegible]
Patna AA polished	[illegible]	[illegible]	[illegible]	[illegible]
February March				[illegible]
Broken I spot	[illegible]	[illegible]	[illegible]	[illegible]
March April			[illegible]	[illegible]
Broken II spot	[illegible]	[illegible]	[illegible]	[illegible]
March April			[illegible]	[illegible]
Rice (Hamburg, in American $ per 100 kilos, duty unpaid).				
Extra fancy blue rose, spot	5·40	5·40	5·40	5·40

(continued).

February, 1933.				March, 1933.			
1st week.	2nd week	3rd week	4th week.	1st week.	2nd week.	3rd week.	4th week.
—	—	—	—	13½	—	14	14½
—	—	—	—	—	13½	14	14½
8/6	8/6	8/6	8/6	8/6	8/6	8/6	8 6
8/1½	8/1½	8/1½	8/1½	8/1½	8/-	8/-	7/9
9,6	9/6	9/6	9/6	9/6	9/4½	9/4½	9/4½
9/1½	9/1½	9/1½	9/1½	9/1½	9/-	9/-	8/9
11/1½	11/1½	11/1½	11/1½	11/1½	11/-	11/-	10/9
10/7½	10/7½	10/7½	10/7½	10/7½	10/6	10 6	10/3
13/-	13/-	13/-	13/-	13/-	12/6	12 6	12,6
12/-	12/-	12/-	12/-	12/-	11/9	11/9	11/6
11/3	11/3	11/3	11/3	11/3	11/3	11/3	11/3
9/9	9/9	9/9	9/9	9/3	9 6	9 6	9/3
12/-	12/-	12/-	12/-	12/-	11/9	11/9	11/9
11/6	11/6	11/6	11/6	11/6	11/3	11/3	11/-
13/9	13/9	13/9	13/9	13/9	13/6	13,6	13/3
13/-	13/-	13/-	13/-	13/-	12/3	12/9	12/1
16/3	16/3	16/3	16/3	16/3	16/1½	16/1½	16/1½
16/-	16/-	16/-	16/-	16/-	15/9	15/9	15 6
8/4½	8/4½	8/4½	8/4½	8/4½	8/4½	8/4½	8,4½
7/6	7/6	7/6	7/6	7/6	7/4½	7/4½	7/4½
8/-	8/-	8/-	8/-	8/-	8/-	8/-	8/-
7/3	7/3	7/3	7/3	7/3	7/1½	7/1½	7/1½
5 40	5·30	5 20	5 20	5 20	5 30	—	5·50

Calcutta Kips.

(1933).

M.D.S. (12 lbs. Standard)—

January ..	$6\frac{1}{4}d.$
February	$5\frac{3}{4}d.$
March ..	$6\frac{1}{2}d.$

M.D.D. (12 lbs. Standard)—

January ..	$5\frac{3}{8}d.$
February	$4\frac{3}{4}d.$
March ..	$4\frac{5}{8}d.$

D.R.D. (12 lbs. Standard)—

January ..	$4\frac{3}{8}d.$
February	$3\frac{3}{4}d.$
March ..	$3\frac{5}{8}d.$

The situation is the result of the numerous obstacles in the shape of Customs duties, quotas, etc., which continue to impede the free flow of trade between countries, and of the development of schemes of national defence, a prominent feature of which is the ideal of self-sufficiency. Tendencies are, however, noticeable which may *to some extent* mitigate the evils resulting from *trade barriers. Some nations,* it may be noted, have entered into special agreements with a view to improving the facilities for trade between them.

4. In Chapter II of the Report, which deals with indices of *industrial production*, Mr. Patel has shown by means of graphs that, during the year under report, *industrial production* in all the countries within the jurisdiction of his office was greater than in the preceding year. There was also a substantial reduction in unemployment in almost all the countries. Costs of production were generally higher, and statistics of wages showed a *definite but slow increase. The prices of agricultural and manufactured* products, which are discussed in a later chapter, were also higher, the index number of agricultural prices having risen from 68.4 in April, 1936, to 82.3 in April, 1937.

In the latter part of Chapter II Mr. Patel discusses the developments in the foreign trade of the different countries, with special reference to India. It is gratifying to note that in the year under report there was an improvement in the visible balance of trade in favour of India as against all the countries in Northern Europe, except Denmark and Austria, whose trade with India is comparatively small. In the first quarter of 1937 Indian imports into all the countries, including Denmark and Austria, showed a remarkable improvement, and there are some grounds for the belief that the year 1937-38 will probably be a distinctly bright one for Indian export trade to this area.

5. In Chapter III of the Report Mr. Patel has examined the position in regard to the principal commodities which India exports to Northern and Central Europe. Unfortunately, the *statistics for the three Scandinavian countries* were *not* available, but the volume of Indian exports to these countries is not large enough to affect the inferences which can be drawn from the figures for the remaining countries.

Germany and France, who are the largest buyers of Indian groundnut on the Continent, increased their imports in 1936 by 15 per cent. and 67 per cent. respectively. The exports of

seed were, on the whole, satisfactory, both Germany and France importing substantially larger quantities. Since 1935 Russian competition in regard to rapeseed has had a considerable effect on Indian exports to the French market. Germany, which formerly was one of India's best customers for oilcake, has been in a position to reduce her imports from India considerably, since she has now large areas under oilseed and also imports a portion of her requirements from Roumania and Yugoslavia, with whom she has entered into special agreements. Belgium and Holland, however, continued to be important purchasers of Indian oilcake. Belgian imports from India in 1936 being greater than those in the preceding year.

The Northern European countries, which consume very little tea, import the greater part of their requirements through London. It is therefore not easy to say precisely what proportion of the imported commodity was of Indian origin. India exported more coffee to the Continental countries than in the preceding year, but her exports still constitute only a small percentage of the total quantity imported from all countries. France is the largest purchaser of Indian coffee on the Continent, but even she imports relatively small quantities, and relies mostly on cheap coffees from other sources for the bulk of her requirements.

The imports of Indian jute in 1936 into Northern Europe fell somewhat as compared with the imports during 1935, but they were still well above the figures for 1934. There was a considerable decline in the German imports of this commodity, but there are indications of an improvement in the current year in regard to the German market.

Exports of Indian cotton during the year under review were greater than in any of the preceding five years, although they were still much below the 1929 level. France was the largest importer of Indian cotton in this area, and Belgium took the second place, Germany having gone down from the first to the third place. The chief competitors of India in these markets were, as elsewhere, the U.S.A., Egypt and Brazil.

There was a slight decline in the imports of Indian hemp but there was a substantial improvement in regard to imports of coir, particularly in the case of Germany and France.

Germany maintained her position as the most important customer for Indian hides and skins on the Continent, though her imports were somewhat smaller than in 1935.

6. The High Commissioner wishes to record his appreciation of Mr. Gupta's good work during the year, and to endorse Mr. Patel's remarks regarding the efficiency of the staff of the Hamburg office. He also takes this opportunity of acknowledging with thanks the very valuable assistance which has invariably been given by official and non-official organisations in the countries included within the jurisdiction of the Government of India's Trade Commissioner at Hamburg.

I have the honour to be,

Sir,

Your most obedient servant,

B. RAMA RAU,

Deputy High Commissioner.

CONTENTS

GRAPHS

RATES OF EXCHANGE.

(Sterling.)

Country.	Name of Currency.	Parity in terms of Sterling, 20.9.31.	Rate of Exchange, 31.12.36.	Rate of Exchange, 30.9.37.
Germany	Reichsmarks	20·43	12·23	12·35
France	Francs	124·21	105·13	144·75
Switzerland	Swiss francs	25·22	21·37	21·55
Belgium	Belga (1 belga 5 B. francs)	35·00	29·145	29·40
Holland	Guilder or Florin	12·11	8·965	8·96
Austria	Schilling	34·59	26·25	26·50
Poland	Zloty	43·38	26·50	26·50
Denmark	Krone	18·16	22·40	22·40
Norway	Krone	18·16	19·90	19·90
Sweden	Krone	18·16	19·395	19·40
Czechoslovakia ...	Kroner	164·25	140·42	141·50

METRIC WEIGHTS AND MEASURES.

1 kilogram = 2·2046223 lb.

1 quintal = 100 kilograms = 1·9684 cwt.

10 quintals = 1 tonne = ·9842 ton.

1 hectare = 2·4711 acres.

The office of the Indian Government Trade Commissioner, Hamburg, is situated at:

Neuer Jungfernstieg 9,
Hamburg, 36.

His telegraphic address is:—

Govindiacom, Hamburg.

ANNUAL REPORT OF THE INDIAN GOVERNMENT TRADE COMMISSIONER, HAMBURG, 1936-1937.

Chapter I.—Introduction.

The object of this Report is to give a clear idea of the principal activities of the Indian Government Trade Commissioner, Hamburg, during the year 1936-7 It attempts also, to describe briefly the important economic developments in Northern Europe, and to examine critically the fluctuations in the volume and value of the trade between India and each of the countries within the jurisdiction of this office namely Austria Belgium, Czechoslovakia, Denmark Northern France Germany, Holland, Norway, Poland, Sweden and Switzerland

Mr S N Gupta C I E I C S acted as Indian Government Trade Commissioner throughout 1936-37, and it is, in a very real sense unfortunate that he who had been in charge of this office since it was first opened in 1931-32, was not able himself to submit a review, both of the main economic events affecting the economy of Northern Europe and of the activities of this office during that year After Mr Gupta's departure on the 16th March and until my arrival on the 17th July 1937, Mr C O Moeder officiated as Trade Commissioner These changes explain the delay that has occurred in the preparation and submission of this Report And the delay might well have been even greater had I not received invaluable assistance from Mr Moeder, who, like Mr Gupta, has been in this office since its inception

As explained in previous reports, the work of this office falls under two main heads Commercial Intelligence, and Commercial Publicity The duties relating to Commercial Intelligence consist, in so far as the public is concerned, in attending to enquiries (i) from Indian exporters who are desirous of extending their business connections with the various countries of Northern Europe within the jurisdiction of this office, (ii) from importers in those countries desirous of importing Indian goods and lastly, (iii) from Indian importers of European goods which do not enter into competition with Indian manufactures and products In connection with trade enquiries arising in India, it is desirable to point out once again that much time will be saved if such enquiries are addressed in the first instance to the Director General of Commercial Intelligence and Statistics, at 1, Council House Street, Calcutta, as that Office m[illegible]d

narily will, have on its records, the information required. *It is the practice of this office to send replies to enquiries received direct from India, in duplicate to the D.G.C.I., who retains one copy on his records so as to be able to answer similar enquiries without having again to refer to this office.* The term Commercial Intelligence covers also work done for, and correspondence with, various departments of local Governments, official and semi-official bodies in India. An allied function concerns enquiries in regard to, and the settlement of, trade disputes between Continental importers and India exporters.

Commercial Publicity covers activities which range from organising Indian Stands at exhibitions and fairs, *including cookery demonstrations of Indian foodstuffs, to the furnishing of information regarding India on a variety of subjects to official bodies,* associations and *individuals* in the Northern European countries. *It is* scarcely necessary to state that participation by the Indian Trade Commissioner at fairs can be made increasingly fruitful only if Indian exporters and manufacturers co-operate with him whole-heartedly.

Chapter II.—Economic Developments and Tendencies.

I.

The outstanding characteristic of the year under review is the sustained improvement in the economic conditions of practically every country in the world. Throughout the last three quarters of 1936, and the first quarter of 1937, trade and industry continued to prosper, with the result that the volume of the world trade is now almost within ten per cent. of the level attained in 1929, while the industrial production indices in several Northern European countries have already passed the 1929 levels. International trade, however, has not increased to the same extent as has industrial production. This is an inevitable consequence of the new trading conditions, not a few of which, it would now seem, are likely to prove long-lived. In the first place, there are the Customs' duties, quotas (for quantities of different commodities that may be imported during any given period), subsidies (in whatever form they may be disguised), and other such forms of trade regulations. All these have apparently come to stay. Then there are the currency restrictions, exchange control, barter trans-

actions, agreements of a compensating or clearing nature, and other similar arrangements It is not unreasonable to assume that these will also continue for some considerable time, as their disappearance presupposes a state in which international debts have been readjusted, and there is close international financial co-operation Besides these, there are the obstacles created by national policies which aim at self-sufficiency, an aim which has necessarily the effect of contracting trade in direct proportion to the degree of self-sufficiency that is achieved Germany, which has been pursuing this objective in the most thorough manner, has reduced the volume of its foreign trade to almost a third of what it was in 1929 Then, again, there is the tendency to concentrate trade between closely connected areas Germany, and even the United Kingdom have entered into numerous bilateral and trade agreements During the last four years the United Kingdom has entered into trade agreements with twenty-three countries Germany has as many as twenty-eight clearing agreements and eight payments agreements This tendency, too, makes for contraction of world trade And lastly, there are the restrictions which are imposed upon the output of certain commodities by producers and their associations, and in some cases even by Governments Instances of these are the steps taken at different times in regard to rubber, iron and steel, wheat, coffee and cotton In the face of such manifold obstacles created by the altered conditions of trade, it is not surprising that international trade has made a much slower recovery

Efforts are, however, now being made to secure a relaxation of trade barriers The most important step in this direction was taken by the countries constituting the so-called "Oslo Group," when they signed a Convention, the object of which is "to reduce, for commodities of special interest to their reciprocal trade, the commercial obstacles set up as a defence against the effects of the crisis, and to seek, on the other hand, to adopt measures that would provide larger and more precise guarantees of economic co-operation" Belgium, Netherlands (including Dutch East Indies), Denmark, Finland, Sweden and Norway are the signatories of this Convention, by the terms of which duties on a number of articles have been lowered, and quota restrictions from a number of others have been removed, in so far as the trade among themselves, and between any of them and countries which enjoy with them the most-favoured-nation rights, is concerned

This is an admirable beginning, but it can only be described as a beginning More ambitious is the aim with which Mr Van Zeeland, the Belgian Premier, has undertaken his [illegible]

The costs of production are now showing a rising tendency. Prices of raw materials and wages are rising, though only slowly at the moment. But as it is now five years since the bottom of the last depression was touched, if 1932 is regarded as the turning point, there is a growing apprehension in some quarters that the break in the general run of prosperity is about due. There are others, however, who do not admit that the next depression is either so imminent, or even that, like all good things, the prosperity must ever come to an end abruptly. This "trade cycle" consciousness of the business community may itself act as a depressing factor, because it makes people extra cautious when only ordinary cautiousness is required. On the whole, however, the consensus of opinion would seem to be that the "boom" period will come to an end sometime, but that depression is neither so imminent, nor will it, when it does come, be very acute in form.

III.

1.—Austria.

The economic condition of Austria may be said now to have reached a state of stability. Since 1933 her foreign trade has continued to show an increase every year. The index figure for exports (base 1923-30 = 100) was 42 in 1932-33, 50 in 1936, and 65 in June 1937. The corresponding import indices are 38 for 1931, 42 for 1936 and 50 in June, 1937. There has been a progressive fall in the import surplus since 1929. The significance of these figures lies in the fact that this improvement has been achieved in spite of the devaluation in the autumn of 1936 in the currencies of a number of European countries who were important customers of Austria.

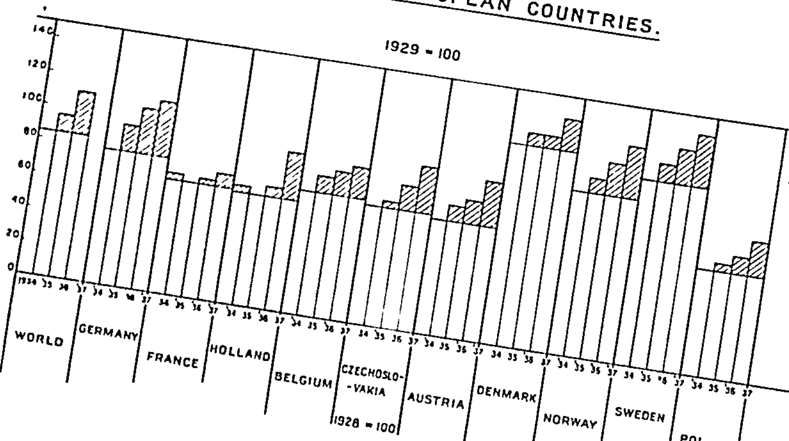
Austrian trade with India declined substantially in 1936 as *compared* with 1935, but the net visible balance is practically the same in both the years. It is interesting to note, however, that the fall in the value of imports from India is caused not by a *decline in the imports of any one article*, but is spread over most of the raw materials imported into Austria.

AUSTRIAN TRADE WITH INDIA.

(In million schillings.)

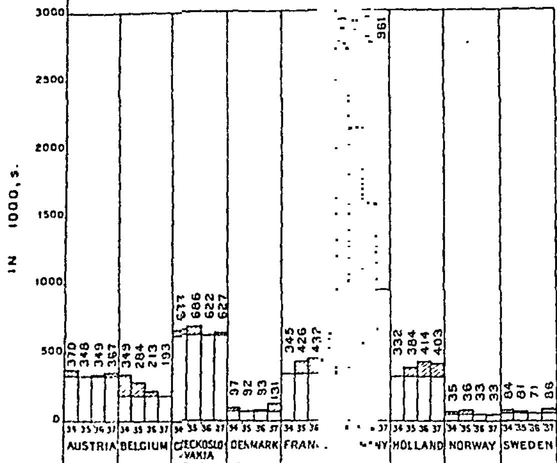
	Exports from Austria to India.	% of total exports.	Imports from India.	% of total Austrian imports.
1934	14·2	1·7%	15·7	1·4%
1935	12·1	1·4%	18·1	1·5%
1936	9·8	1·07%	15·4	1·2%

INDICES OF INDUSTRIAL PRODUCTIO
— OF —
NORTH EUROPEAN COUNTRIES.



Graph B

UNEMPLOYMENT



ALL 1937 FIGURES REFER TO MARCH 1937

2.—BELGIUM

The previous year had closed with business activity at the highest level attained in recent years, and as all the signs of economic recovery continued undiminished into 1936, the year under review may be said to have begun with a wave of optimism. Events have fully justified that optimism. Industrial production rose substantially, while the number of the unemployed showed a steady diminution. The wholesale prices maintained, on the whole, remarkable stability. And the most convincing evidence of all, perhaps, of economic improvement is furnished by the accounts of public companies, whose net profits showed considerable increases.

For a time the industrial prosperity was seriously threatened by strikes on a very extensive scale. The devaluation of the Belga had brought about a rise in retail prices of approximately 10%. Wages had undergone but little change, although there had been a rise in industrial profits. It was, therefore, inevitable that wage adjustments should be demanded. In part, too, the success of similar labour demands in France was responsible for stimulating the unrest amongst the workers. Fortunately, the situation became normal in a short time and the effect on industry, as a whole, was not very serious.

The foreign trade of Belgium improved appreciably. The imports increased by 3,986 million francs to 21,098 million francs, while the exports rose by 3,918 million francs to 19,944 million francs. The net result is a very slightly greater visible adverse balance. Trade with India also shows an increase, both in the exports to that country as well as in imports therefrom. The net visible balance improved in a striking manner in favour of India from 79.2 to 201.5 million francs.

BELGIUM'S TRADE WITH INDIA

(In million Belgas.)

	Imports from India	Exports to India	Difference.
1934	346.8	279.5	— 67.3
1935	439.1	359.9	— 79.2
1936	613.2	411.7	201.5

3.—CZECHOSLOVAKIA

On the whole Czechoslovakia may be said to have experienced ...ter economic conditions during 1936 than during 1935. There ... a distinct improvement in the volume of industrial produc... ..., and there was an equally unmistakable fall in the number ... unemployed. The index of industrial production ... 1935 to 83 in 1936, while unemployment fell ...

sand to 626 thousand. These facts indicate clearly an economic recovery, and the figures for 1937 that are now available, lead one to believe that this economic recovery is likely to be a *sustained* one.

Czechoslovakia is, however, pre-eminently an exporting country, and for her, the final test of improved conditions must remain the increase in her foreign trade returns. It would seem from an examination of the figures in the following table, that Czechoslovakia's foreign trade began to improve in 1934, and that the improvement is still maintained.

CZECHOSLOVAKIA'S FOREIGN TRADE.

(In million kronen.)

	1933.	1934.	1935.	1936.
Imports	6,125	6,392	6,743	7,510
Exports	5,923	7,288	7,947	8,086
Visible balance ...	—202	+896	+1,204	+576

CZECHOSLOVAKIA'S TRADE WITH INDIA.

	1933.	1934.	1935.	1936.
Imports from India	198·1	207·5	288·8	302·3
Exports to India ...	77·1	94·6	86·4	78·2
Visible balance ...	—121·0	—102·9	—202·4	—224·1

It will be seen that Czechoslovakia has maintained a favourable balance in respect of her entire foreign trade during the past three years; her trade with India during the same period, however, has tended to result in a progressively increasing adverse balance.

4. DENMARK.

Three-fourths of Denmark's exports consist of agricultural products, chiefly bacon, butter and eggs. And as the world slump proved particularly severe on farm products, Denmark's plight was far from enviable. She was forced to adopt a policy of strict control of exchange resources, largely through a rigid limitation of imports. At the same time, every effort was made to encourage internal revival. And in this connection it is worth remembering that one-third of Denmark's population is engaged in manufacturing and similar activities. It is rather difficult to assess Denmark's economic situation at present. During 1936, average prices of eggs, bacon and butter were higher than in the previous year. Harvests were rather poor, but the rise in prices partly helped the agriculturists. On the whole, however, the condition of the agriculturists deteriorated. Industries were fully occupied throughout the year. The rise in freight rates helped shipping, while building activity was said to be again a little below that of 1935. Unemployment was seriously increased and the currency situation remained somewhat disquieting.

The total foreign trade increased as measured by value Imports which were valued at 1,330 million kronen in 1935, rose to 1 484 in 1936, while exports also improved from 1,267 to 1,380 Thus there was an increase in the import surplus from 63 to 104 million kronen The exports to India fell slightly from 3 6 to 3 5 million kronen, while the imports from the country fell heavily from 2 7 to 1 8 million kronen and as a result the visible balance improved in favour of Denmark, by 8 million kronen to 1 7 million kronen although the volume of trade was smaller

DENMARK'S TRADE WITH INDIA

	Exports to India	Imports from India	Difference.
	(In thousand kronen)		
1935	3 606	2 692	+ 914
1936	3 543	1 813	+1 730

5 —FRANCE

The year 1936 has been a difficult year for France One of the principal "gold bloc countries she refused to devalue her currency for the last four years but circumstances proved too much for her, and she had to devalue the franc in September, 1936 But the objects of devaluation were not realised, and again this year a further devaluation became necessary The first devaluation did not prove as beneficial to French industry as was hoped, largely because of the interplay of other disturbing factors The most important of these was the social legislation which was undertaken by the Blum Government, simultaneously with the devaluation The inevitable effect of this legislation was to bring about a rise in costs and prices and this equally inevitably had the further effect of preventing French industries from making the fullest use of the advantage afforded by the devaluation of the franc The failure of French trade to react adequately in its turn explains why French capital refused to return to France In short throughout the year, the people remained apprehensive of the country's currency and financial position and such want of confidence could not but have somewhat unsatisfactory effects on the trade

The total volume of foreign trade was greater than in the previous year but the improvement was almost wholly in the direction of the import trade France's trade [illegible] from the point of view of India a satisfactory [illegible] imports from India increased to 780 million [illegible] reaching the high figure of the imports in 19[illegible] to India show a slight fall The net vis[illegible] of India consequently increased from 542 [illegible] to 713 million francs in 1936

The following table shows the foreign trade of France in 1934, 1935 and 1936, and also the volume of her trade with India during those years:—

FRANCE'S FOREIGN TRADE.
(In million francs.)

	1934.	1935.	1936.
Imports	23,097	20,945	25,398
Exports	17,850	15,473	15,454
Net visible balance...	—5,247	—5,472	—9,944

FRANCE'S TRADE WITH INDIA.
(In million francs.)

	1934.	1935.	1936.
Imports from India	523·0	610·6	780·5
Exports to India ...	90·3	68·6	67·1
Net visible balance...	—432·7	—542·0	—713·4

6.—Germany.

During the period under review, domestic recovery in Germany, which has been created by rearmaments, planned production and a rigid policy of self-sufficiency, continued. Unemployment further decreased and the monthly average of unemployed, which was 5,081,000 in 1933, 3,307,000 in 1934 and 2,568,000 in 1935, further decreased from 2,118,000 in April, 1936, to 1,698,000 in December, 1936, and at the end of March,1937, stood in the neighbourhood of one million. These figures have naturally been influenced by relief works, such as road construction, land amelioration, etc, for the creation of employment, and also by the introduction of conscription and other changes in the social system of Germany. Further progress was made in the building trade which at the present time in Germany is closely connected with rearmament, and the number of persons employed in the building trade rose during the third quarter of 1936 by 30% as compared with the previous year and was 17% above the level of 1929. The production of iron during the second and third quarters of 1936 was 1,699,000 and 1,863,000 metric tons respectively and that of steel 1,556,000 and 1,723,000 metric tons respectively, as against an average monthly output of 1,544,000 metric tons of iron and 1,354,000 metric tons of steel in 1929. Industrial production of both investment and consumption goods exceed the output in 1929 and the indices of production of the engineering trade, shipbuilding, automobile industry, consumption of electricity and production of agricultural produce, showed further sharp increases. National income from wages anl salaries during the second quarter of 1936, rose by 30% as compared with the same quarter of 1933, but did not reach the level of the second quarter of 1929 when Germany's total national income from wages and salaries amounted to Rm.11,385 million as against Rm.8,526 million in 1936.

Details regarding Germany's task of financing domestic recovery as well as the organisation of economic control, have been given in the last two Annual Reports. During the period

under review, the rigid system of import and foreign exchange control was in no way modified and the difficulties in the way of purchasing raw materials for production and in particular for the armaments industry and for food supplies were further intensified and led to the Four Year Plan for raw material self sufficiency which was announced at the Nuremburg Congress in the Autumn of 1936 It must however, be borne in mind that this far reaching scheme has not been dictated solely by economic considerations but that it has also the object in view of making Germany independent as far as possible of foreign supplies in the event of war

Under the Four-Year Plan factories are to be erected for the production of aluminium synthetic petrol, synthetic rubber artificial textiles, synthetic oil and other substitutes for those materials which Germany has to import from abroad The success achieved in the production of light motor fuel has been remarkable, 95,000 tons or 45% of Germany's total consumption in 1935 was home produced The manufacture of artificial rubber has met with some success, and the synthetic product "Buna" —which is chiefly made from chalk and coal—is believed to excel natural rubber in some respects The costs of production are however, still considerably higher than the market price for natural rubber Mass consumption of synthetic rubber is therefore, for the present, at any rate, not an economic proposition The efforts of German experts during the past few years have been directed also towards the production of textiles made from a mixture containing a very high percentage of home produced cellular wool and artificial silk and a low percentage of imported cotton and wool The New Plan provides for a further development and expansion in the manufacture of textiles made from a mixture of cellular wool called 'Zellwolle,' artificial silk and shoddy, the latter being made from cotton and woollen rags and waste *An elaborate scheme has been devised not only to rationalise* the production of non-ferrous metals like copper, chrome and nickel, but also to use recovery processes from old materials as far as is possible In addition artificial resin will be increasingly used in the manufacture of articles such as door handles, conduit tubes fittings of all kinds, etc, which were formally made partly or wholly of metal Chemically prepared sawdust is to be used as a base material for the manufacture of pipes and ply wool prepared with artificial resin, in the manufacture of roof gutters Wood will also increasingly be used for the generation of gas as a driving power for motor vehicles and engines as well as a base for the chemical production of fodder to replace imports of barley and soya beans It will be seen that the industrial projects of the New Plan are very far reaching, and the capital outlay may impose a very severe strain on Germany's financial resources

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Side by side with the new industrial development, the Four-Year Plan aims at an intensification of the productive capacity of German agriculture. It is intended to increase the production of staple foodstuffs, not only of wheat, rye, barley, potatoes, sugar, etc., but also of fodder of all kinds and in particular of animal and vegetable oils and fats. As, however, the area for the production of home-grown crops and pasture land is limited, and as Germany's agriculture is already very highly developed, there will probably be difficulty in achieving self-sufficiency at the present standard of nutrition.

The following details in connection with the Four-Year Plan, as far as they concern oilseeds, will be of interest in India. In 1936, the domestic production of oil and oilcakes from home-grown rapeseed amounted to 36,000 metric tons and 62,000 metric tons respectively, and it has been estimated that the linseed crop in 1936, including the seeds required for sowing purposes, could have yielded 10,000 metric tons of linseed oil and 20,000 metric tons of cattle fodder. The growth of the area under cultivation for oilseeds will be seen from the following table:—

	1933.	1934.	1935.	1936.
		(In 1,000 hectares.)		
Rapeseed	5	27	47	54
Linseed	5	9	22	44
Total	10	36	69	98

Under the Four-Year Plan it is intended to increase the land under cultivation for rapeseed to 120,000—150,000 hectares, and of linseed to 60,000 hectares, so that in another four years Germany should be able to produce 72,000 metric tons of rapeseed and 10,800 metric tons of linseed oil.

It may also be mentioned that the Four-Year Plan provides for the building of a whaling fleet. The object is to make Germany independent of imports of oilseeds which are now used as a base for the manufacture of margarine. It is proposed, in future, to make use of whale-oil for this purpose on an extended scale.

Germany's difficulties in purchasing raw materials from abroad, and the gradual changes in the methods for achieving that end, have been reported in previous Annual Reports. From 1934 onwards the lack of free exchange for the purchase of raw materials has been overcome to some extent by the conclusion of numerous bilateral payments and clearing agreements as well as by officially organised barter transactions on a large scale. These official barter transactions should be distinguished from private barter deals which formed the basis of trade between India and Germany up to the end of February, 1937. On the 23rd February, 1937, the German authorities issued a new

Decree forbidding private compensation deals with Egypt, the Sudan, Ceylon, Siam, Straits Settlements China, the Philippines, Burma and British India The result of this new Decree is that Indian importers of German goods have to pay in cash in full for all German goods imported into India, and, on the other hand, Indian commodities imported into Germany must be paid in foreign currency, provided the German importer is granted the necessary permission by the German authorities It is as yet too early to gauge the effect on Indian trade with Germany of this departure from the barter system, and it remains to be seen how India will fare under the new system under which, although Indian exporters may transact their business with Germany on a cash basis they have still to do so subject to the very elaborate import and foreign exchange controls Permission to import foreign raw materials is granted to German importers only after each application has been carefully examined by the German departments for Foreign Exchange Control, and Goods Control

The bulk of Germany's foreign trade is regulated by clearing agreements, as Germany has concluded such agreements with almost every European country and with a number of non European countries while with a few others like Canada and South Africa it has concluded payments agreements India has neither a clearing nor a payments agreement with Germany, and it is instructive to compare the course of trade between Germany and India since 1934 with the development of trade between Germany and the non European countries which have agreements with it and which compete with India on the German market in one or the other of the principal commodities exported by India to Germany

Trade between Germany and Egypt is based on a Commercial Treaty, which came into force in November 1930 It provides for exchange of goods on the most-favoured nation basis In 1934, Egypt further agreed to Germany organising official barter deals on a large scale Egyptian cotton being exchanged for German goods such as artificial manure

In December, 1934 an understanding was arrived at between Germany and the Union of South Africa, the object of which was to facilitate the purchase of South African wool by German buyers Subsequently, the Agreement was expanded to include various ores, hides, and skins, tanning bark, etc With Argentina Germany concluded a clearing agreement in the autumn of 1934, a little later a similar agreement was arranged with Chile About the same time, a payments agreement was also negotiated with Dutch East Indies And M Canada and Australia, arrangements exist, altho

ing or payments agreement has been negotiated by Germany with any of these countries, for Germany to pay for its imports through the medium of "Aski accounts." In the following tables are given the German exports to and imports from each of these countries.

1933.

	Imports.	Exports.	Difference. + import surplus. — export surplus.
	(In million reichmarks.)		
Egypt	43·1	27·2	—15·9
Argentine	149·21	100·3	—49·1
Chile...	20·0	8·1	—11·9
Mexico	20·1	27·1	+ 7·0
Dutch East Indies ...	111·7	38·6	—73·1
Australia	103·7	20·6	—83·1
South Africa	52·4	40·2	—12·2
Canada	79·2	28·0	—51·2
Br. India	155·9	86·8	—67·1

1936.

	Imports.	Exports.	Difference. + import surplus. — export surplus.	Change in the balance since 1933 in favour of Germany = + against = —
Egypt	37·1	43·0	+ 5·9	+21 8
Argentine	118·5	97·7	—20·8	—28·3
Chile	58·8	49·4	— 9·4	+ 2 5
Mexico	56·4	51·1	— 5·3	—12·3
Dutch East Indies	112·9	38·6	—74·3	— 1·2
Australia	42·7	34·6	— 8·1	+75·0
South Africa	39·5	56·5	+17·0	+29·2
Canada...	18·8	35·1	+16·3	+67·5
Br. India	142·1	121·6	—20·5	+46·6

It will be seen from the above table how the economic arrangements and agreements have actually helped Germany to improve her trade balance with most of the countries concerned. Only in three cases has the net result of the year's trade resulted in a lessened balance as compared to the position in 1933. Germany has improved her exports strikingly to every country except the Dutch East Indies and Argentina, and she has reduced her imports from them all with the exception of Chile, Mexico, and Dutch East Indies. A certain decline in the volume of trade it would have been reasonable to expect, but what is remarkable is the manner in which the German exports to these countries have gone up. Germany's trade with British India, too, appears to have followed more or less the same course as has her trade with the non-European countries with which she has clearing and payments agreements. This conclusion, however, does not necessarily imply that no advantage is likely to accrue to India if she had a trade agreement with Germany. But it does mean that the absence of a bilateral agreement does not always lead to detrimental trade results, though such an agreement may, of course, have some utility in promoting trade in specific commodities.

Graph D.

Trade gained by Germany 
Trade lost by Germany

+25
+20
+10
0
-10
-20
-30
-40
-50
-60
-70
-80
-90

33 36 EGYPT
33 36 ARGENTINE
33 36 CHILE
33 36 MEXICO
33 36 DUTCH EAST INDIES
33 36 AUSTRALIA
33 36 SOUTH AFRICA
33 36 CANADA
33 36 BRITISH INDIA

Indian trade with Germany during 1936 showed an improvement as compared with 1935. Both the imports and exports to India have risen, the former to a somewhat greater extent than the latter. The visible balance of trade has, therefore, improved in favour of India by 10.5 million to 20.5 million reichsmarks. The Indian statistics of the trade with Germany, however, point to a different and opposite conclusion. It is not very easy to reconcile the discrepancy in the figures extracted from the German and from the Indian statistics. The question is now being carefully examined, and until some definite explanation can be offered, it seems unnecessary to enumerate here the various explanations which *might* be put forward.

GERMANY'S TRADE WITH INDIA

(According to German statistics.)

(In million reichsmarks.)

	Imports from India	Exports to India	Difference — against Germany + in favour of Germany
1934	134.7	94.4	—40.3
1935	121.3	111.3	—10.0
1936	142.1	121.6	—20.5

GERMANY'S TRADE WITH INDIA

(According to Indian Statistics.)

(In lakhs of ruppees.)

	Imports from Germany into India	Exports to Germany from India	Difference — against Germany and in favour of India + favour of Germany and against India
1934	975	760	+215
1935	1,145	777	+292
1936	1,218	747	+527

7.—Holland

The year 1935 had, on the whole, been very unsatisfactory for Holland. The economic conditions in a small country like Holland are very sensitive to economic measures taken by other countries. Only through the revival of international trade could she hope for better times. It is easy, therefore, to understand Holland's anxiety to conclude trade agreements with foreign countries, and also to realise why she has taken the initiative, through the "Oslo" convention, towards freer international trading conditions.

The economic position continued to be depressed and stagnant until September, 1936. Unemployment went on increasing, while production costs and cost of living, despite efforts in various directions, slowly but steadily rose. Then in September the gold standard was suspended and relief came. Almost at

once business improved, and the economic situation took a turn for the better. The foreign trade for the first eight months had amounted to 628 million guilders of imports and 441 million guilders of exports. During the remaining four months, the imports and exports totalled 389 and 304 millions respectively. In particular, devaluation of the guilder greatly benefited the Dutch East Indies trade.

In so far as trade with India is concerned, it will be seen from the table below that while there was a slight fall in the exports to India from 7.1 millions in 1935, to 6.7 millions, the imports from India rose appreciably from 12.6 to 16.5 million guilders. The net result was an increase in the visible balance of trade in favour of India from 5.5 to 9.8 million guilders.

HOLLAND'S TRADE WITH INDIA.

	Imports from India.	Exports to India.	Difference
	(In million guilders.)		
1935	12·6	7·1	5·5
1936	16·5	6·7	9·8

8.—NORWAY.

Economic conditions continued to improve in 1936, but the improvement has been at a slow pace. In fact, generally speaking, economic recovery in Norway from the last world slump has been particularly slow, even as compared to the other Scandinavian countries. This has been the case because Norway's economy has hitherto been so largely dependent upon her shipping, fishing and export of certain agricultural commodities. And because of this experience, Norway has been deliberately pursuing of late the policy of developing her manufacturing industries, with the twofold object of providing additional fields of employment and of making the country independent of foreign supplies, as far as possible.

The various economic indices indicate clearly the sustained economic recovery of the country. Industrial production steadily improved, the index which in 1935 stood at 111, rising to 127 at the end of 1936. This improvement led both to a rise in prices as well as in the cost of living, besides reducing unemployment. Both fisheries and shipping had also prosperous times. In the case of the latter, the freight rates have steadily gone up during the year, and the idle tonnage has been reduced to negligible proportions, being only half of one per cent. of the total tonnage.

The foreign trade of the country rose by 178 million kro[illegible] to 1,608 2 million kronen in 1936. The aggregate value of imports was 925 9 million kronen as against 825 1 million kron[illegible] in 1935, while the value of the exports rose from 605 1 milli[illegible] kronen to 685 3 million kronen. There was thus an increase [illegible] the adverse balance of trade which now amounts to 240 [illegible] million kronen. Trade with India declined slightly but as th[illegible] decline was entirely in the exports to India the net result [illegible] an increase in the visible balance in favour of India as wil[illegible] be clear from the following table

NORWAY S TRADE WITH INDIA

(In 1,000 kronen)

	Imports	Exports	Difference
1935	9,980·6	6,948 7	—3 031 9
1936	10,011·0	5,290·8	—4 720·2

9 —Poland

Economic conditions improved in a marked manner during 1936. Both industry and agriculture shared in the improve[illegible]ment. The index of industrial production rose from 66 4 in 1935 to 72 in 1936 (base 1928 = 100). The index of prices of agricultural produce too rose during the same period from 35 8 to 38 7. At the same time, there was a fall in the prices of industrial consumption goods and this coincidence meant that the purchasing power of agriculture received a double impetus, firstly from higher prices for their produce, and secondly from having to pay less for their other requirements. This increased purchasing power in its turn led to an increased turnover in the internal commerce.

Early in 1936 however for a time it seemed as if the currency difficulties of the neighbouring countries were going to check this revival of economic life. Fortunately the steps taken by the Government to restrain currency transfers sufficed. Foreign trade was not hampered unduly as is evident from the appreciable increases both in regard to the exports and imports of the country. In 1936 the exports amounted to 1,003 millions as against 861 million in 1935, while the imports also improved from 925 million in 1935 to 1,026 in 1936. Poland s trade with India incr[illegible]eased correspondingly and as the imports from India [illegible]went up more than the exports to that country, the net visible [illegible]balance of trade improved in favour of India from approximately [illegible]6 million zlotys to 29 million zlotys

POLAND S TRADE WITH INDIA

(In thousand zlotys)

	Imports	Exports	Difference
1934	[illegible]	[illegible]	[illegible]
1935	31,[illegible]	[illegible]	
1936	36,43[illegible]	6,[illegible]	

10.—SWEDEN.

The year 1935 had closed on a note of optimism, and the progress of trade in 1936 shows that the optimism was well-founded. Everything points to a sustained economic recovery. Shipping, which constitutes an important source of income for Sweden and had fallen into doldrums after 1930, began to prosper during 1936, the freights rising continuously from May onwards; the volume of its foreign trade increased, and unemployment steadily declined, and the price level, which had remained steady during the first half of the year, went up appreciably during the latter half.

During the year, Sweden increased both her exports and her imports. The improvement in the former was greater than in the latter, but the net visible balance of trade was, nevertheless, adverse. The import surplus was, however, reduced from 179 million kronen in 1935 to 114 million kronen, as will be seen from the following table. This reduction is explained in part by the greater rise in prices of Swedish exported goods than in the prices of imported goods, the former having risen by 17% over the 1935 level, against the advance of 6% only in the prices of the latter.

	Imports.	Exports.	Difference.
	(In million kronen.)		
1934	1,304·7	1,302·4	— 2·3
1935	1,476·3	1,297·4	—178·9
1936	1,619·4	1,505·4	—114·0

Sweden's trade with India, however, shows a slight decline. The exports to India have gone down by 1.1 million kronen, while the imports have remained practically steady. The net balance of trade is thus improved to that extent, though it still continues to be against India.

SWEDEN'S TRADE WITH INDIA.

(In million kronen.)

	Imports from India.	% of total imports.	Exports to India.	% of total exports.
1934	—	·4	—	·8
1935	5·3	·4	10·4	·8
1936	5·6	·3	9·3	·6

11.—SWITZERLAND.

Switzerland was, like the other "gold bloc" countries, compelled to devalue her currency in the autumn of 1936. The immediate effect was seen in a marked jump in the value of imports and exports. The total imports rose from 7,733 million francs from January to September, a period of nine months, to 7,067 in the next five months; while the exports improved from

5,468 in the first nine months, or an average of 607 5 to 4,198 the next five, or an average of 839 6 But although there was improvement in the economic situation in the latter portion the last year, and the earlier part of this year, the improv ment for the year as a whole was very slight, and may regarded merely as indicating the revival in prospect for expor during 1937

The trade with India also improved a little, but the improvement was greater in the imports from India than in the exports thereto It will be seen from the table in Chapter III that there was a marked increase only in the imports of cotton, and that the increase in the imports from India as a whole, were not as a result correspondingly increased because of the remarkable fall in the imports of jute, of which Switzerland appeared virtually to have stopped imports altogether The net visible balance in favour of India thus equalled 1 3 million francs

SWITZERLAND'S TRADE WITH INDIA

(In million francs)

	Exports from Switzerland to India	% of Swiss exports	Imports from India to Switzerland	% of total Swiss imports
1934	12 5	1 5	14 2	0 9
1935	12 8	1 6	13 3	1·03
1936	13 0	1 5	15 2	1 2

The year 1936 resulted thus in a general improvement in the visible balance of trade for India in so far as its trade with North European countries is concerned There is a slight worsening of trade only in two cases Trade with Austria and with Denmark has resulted in an increase in the adverse balance amounting to 1 million schillings and 8 million kronen respectively The improvement from India's point of view, as will be seen from the following table was particularly marked in Switzerland, Belgium and Germany In regard to Germany, however, as was pointed out earlier, the real position of the trade with India is rendered uncertain because of the large discrepancies which exist between the German statistics and the Indian statistics In regard to some of the other countries, also, for instance, Switzerland and Norway, there exist fairly large discrepancies which can, in the main, be explained by the ordinary factors, such as the changes in the destination of goods subsequent to their departure from the port of origin It is proposed to examine this question during the year, and to ascertain as far as possible the reasons for the existence of large differences in the figures of trade according to the Indian statistics, and the statistics of the North European countries

VISIBLE BALANCES OF TRADE BETWEEN INDIA AND VARIOUS NORTH EUROPEAN COUNTRIES IN 1935 AND 1936.

+ in favour of India.
— against India.

	1935.	1936.	Variations.
Austria	+ 5·7 mln. schs.	+ 5·6 mln. schs.	— ·1 mln. schs. or 1·7%
Belgium	+79·2 mln. frs.	+201·5 mln. frs.	+122·3 mln. frs. or 154%
Czechoslovakia ...	+202·4 mln. kronen	+224·1 mln. kronen	+21·7 mln. kronen or 10·6%
Denmark	—0·9 mln. kronen	—1·7 mln. kronen	—·8 mln. kronen or 88%
France	+542·0 mln. frs.	+713·4 mln. frs.	+171·4 mln. frs. or 31%
Germany	+10·0 mln. rms.	+20·5 mln. rms.	+10·5 mln. rms. or 105%
Holland	+5·5 mln. guilder or florins	+9·8 mln. guilder or florins	+4·3 mln. guilder or florins, or 78%
Norway	+3 mln. kronen	+4·7 mln. kronen	+1·7 mln. kronen or 56·6%
Poland	+26·0 mln. zlotys	+29·7 mln. zlotys	+3·7 mln. zlotys or 18%
Sweden	—5·1 mln. kronen	—3·7 mln. kronen	+1·4 mln. kronen or 27%
Switzerland ...	+·5 mln. frs.	+1·3 mln. frs.	+·8 mln. frs. or 16%

IV.

The trend of the trade between India and each one of the eleven North European countries has unmistakably been upward throughout 1936, and this remains even more strikingly true of the trade during the first quarter of 1937, as will be clear from the following table:—

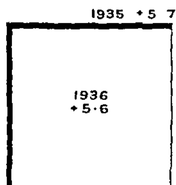
	Imports from India.		Exports to India.	
	Jan.–March, 1936.	Jan.–March, 1937.	Jan.–March, 1936.	Jan.–March, 1937.
Austria (in million schillings) ...	4·3	6·4	2·6	4·0
Belgium (in million francs) ...	164·5	275·3	91·3	125·0
Czechoslovakia (in million kroner)	53·0	91·0	16·0	37·0
Denmark (in thousand kroner) ...	489·0	755·0	1,226·0	641 0
France (in million francs)... ...	162·0	313·0	19·0	26·0
Germany (in million rms.) ...	35·8	44·1	35·5	34·2
Holland (in million florins) ...	3·2	7·8	1·4	2·6
Poland (in million zlotys)...	5·5	6·7	1·3	2·1
Sweden (in million kroner)	1·3	5·6	2·2	5·2
Switzerland (in million fra[illegible]	2·9	[illegible]	3·4	5 0

The increase in [illegible] India [illegible] emarkable, and
the tendency to rise [illegible] a su [illegible] as in several
of the North Europ [illegible] noı [illegible] is only just
[illegible] ning. The exp [illegible] ave [illegible] from Ger-
[illegible] n whose case [illegible] cor [illegible] Denmark,
[illegible] orts are all [illegible] in [illegible] verywhere
[illegible] erous time [illegible] ts [illegible] e for th
[illegible] are disti

Graph E.

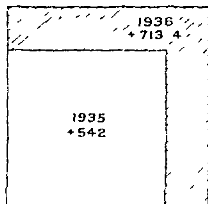
VARIATION IN VISABLE BALANCE OF TRADE BETWEEN INDIA AND NORTH EUROPEAN COUNTRIES.

AUSTRIA.



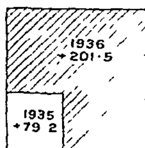
NET VARIATION
−0 1 *Million Schillingo*

FRANCE



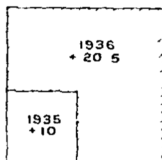
NET VARIATION
+171 4 *Million Francs*

BELGIUM



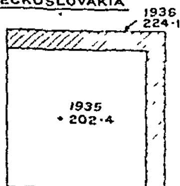
NET VARIATION
+122·3 *Million Francs*

GERMANY



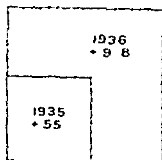
NET VARIATION
+10 5 *Million Marks*

CZECKOSLOVAKIA



NET VARIATION
+21·7 Million Czeck Kronen

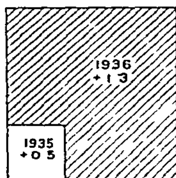
HOLLAND



NET VARIATION
+4·3 Million Flo

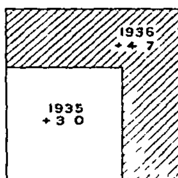
Graph E (contd)

SWITZERLAND



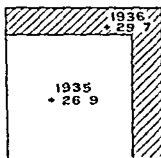
NET VARIATION
+ 0 8 Million Francs

NORWAY



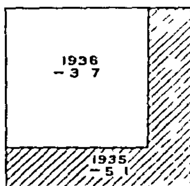
NET VARIATION
+ 1 7 Million Kronen

POLAND



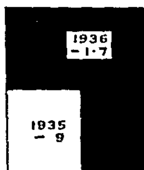
NET VARIATION
+ 3 7 Million Zloty

SWEDEN



NET VARIATION
+ 1 4 Million Kronen

DENMARK



NET VARIATION
− 0·8 Million Kronen.

TRADE GAINED BY INDIA .. .. .. 

TRADE LOST BY INDIA .. .. .. 



Chapter III.—Commodities.

In this chapter it is proposed to examine the variations in the last three years, 1934, 1935 and 1936, in the quantities of some of the commodities imported from India into Austria, Belgium, Czechoslovakia, France, Germany, Holland, Poland and Switzerland. The imports from India into the Scandinavian countries have not been considered, as they are not readily available. The volume of Indian exports to these three countries is however not so large as to affect any inferences which it might appear reasonable to draw from the figures which are available for the remaining countries. This examination is based upon figures which have been extracted from the official statistical publications of the respective countries. In the case of certain commodities, such as cotton, their imports from countries competing with India have also been shown, so that it may be possible to see readily which country or countries have gained at India's expense, or are being replaced by India, in the markets of Northern Europe.

Jute
(In 10,000 kilograms.)

		1929	1934	1935	1936
Austria.	Total	Not available	776	1 074	597
	India		776	1 074	597
Belgium	Total	3 508	4 768	5 383	6 837
	India	3,363	4,588	5 258	6 605
Czechoslovakia	Total	3 649	3 827	3 416	3 387
	India	1 214	3 428	3 279	3 371
	+ Hamburg	2 432	319	126	19

+ N B.—Imports from Hamburg really mean imports from India since India has the monopoly of jute. It is not clear however if these quantities are also included in the quantities shown as German imports. If they are, as is possible, then they would have to be deducted from the German imports below.

		1929	1934	1935	1936
France	Total	12 016	9,353	9 669	9 721
	India	12 016	9,337	9 664	9 715
Germany	Total	14 170	10 743	11 424	9 715
	India	14 150	10 700	11 318	9 700
Holland	Total	1 291	745	941	978
	India	1 102	742	914	944
Poland.	Total	2 733	1 078	1 459	1 580
	India	2 245	1 051	1 443	1 576
Switzerland.	Total	36	57	123	—
	India	36	57	123	—

The imports of jute have fallen to a small extent as compared with the imports during the previous year, but are still well above the imports in 1934. Switzerland had more than doubled her normal imports during 1935, and that fact perhaps explains why she has imported scarcely any jute at all during 1936. Austria is another country in which the imports have fallen heavily with reference to her imports during 1934 and 1935. The decline in German imports is serious, and reduces Germany now to second place in order of importance in the list of the Continental importers of Indian jute. In

countries the imports show a slight increase over those of the previous year. It is interesting to note, however, that except in the case of Belgium, the imports of jute by each of these countries is still well below the imports in 1929.

The year 1936 may therefore be described as a satisfactory year for jute. The somewhat heavy decline in Germany is due, it would appear, to transient factors, and there is reason to believe that the German market, too, will improve during the current year. The other important industrial countries have all, on the other hand, increased their imports of jute in a satisfactory manner.

COTTON.

(In 10,000 kilograms.)

		1929.	1934.	1935.	1936.
Austria.	Total		2,965	3.466	3.915
	India	Not	573	579	507
	U.S.A.	available	1,785	2.025	2.341
	Egypt		423	583	620
Belgium.	Total	9,120	8.609	9.651	10,969
	India	3,792	2.434	2.850	3.626
	U.S.A.	3,900	2.240	2.977	3,166
	Belgian Congo	544	2.020	2.047	2,530
Czecho-slovakia.	Total	11.929	7.553	7.586	9,118
	India	1.812	944	716	1.253
	Bremen/Hamburg	5.353	2,952	2.770	3.316
	U.S.A.	3.597	2.094	2,016	2.333
	Egypt	878	1.163	1,123	1.471
France.	Total	36.749	23.223	22.363	32.295
	India	5.443	4.187	4,175	5.111
	U.S.A.	20.570	11.768	10,668	18.866
	Egypt	5.176	4.611	4,633	5,073
Germany.	Total	39.884	31.690	30.998	23,680
	India	5.770	3.478	2,788	2,953
	U.S.A.	30,593	18.980	7.491	7,069
	Egypt	2,347	4,422	3.927	2.918
	Brazil	70	829	8.238	3.457
Holland.	Total	4.704	4.390	4.072	4,964
	India	837	879	720	892
	U.S.A.	3.527	2.125	1.622	1,752
	Egypt	5	79	76	74
	Brazil	—	290	287	420
	Belgium	37	203	408	551
	Argentina	—	32	320	396
Poland.	Total	6.047	6,300	6.575	7,073
	India	488	494	650	837
	U.S.A.	4,968	4,932	4,893	4.527
	Egypt	281	852	750	797
Switzerland.	Total	3,028	2.648	2,653	2,665
	India	201	267	155	283
	Egypt	1.480	1,441	1.410	1,322
	U.S.A.	1,303	757	813	753

Indian exports of cotton to Northern Europe during the year under review were greater than at any time during the past five years, although they still fell considerably short of the exports

in 1929 Every one of the countries mentioned above, except Austria, imported more cotton than during 1935 In Austria, India has lost ground to a small extent to the United States and Egypt, but the loss is not very great France is now the largest importer of Indian cotton on the Continent, and it is satisfactory to note that she has increased her imports substantially during 1936 Belgium, which now stands next in importance as an importer of Indian cotton also imported considerably larger quantities than in 1935 Germany, which was the biggest importer of Indian cotton now occupies the third place She has slightly improved her imports during 1936 but the total quantity imported is still only a little more than half of the imports during 1929 Holland Poland and Switzerland are the three countries whose imports of Indian cotton now exceed the quantities imported by them in 1929 In the case of Czechoslovakia, it will be seen that considerable quantities of cotton are shown as coming from Bremen and Hamburg ports It is probable that some of this originates in India, though it is difficult to say how much

It is interesting to examine the figures of imports of cotton from countries other than India The U S A one of the three principal competitors of India has increased her exports during the year to the North European countries as a whole but she does not appear to have done so at the expense of India Of the other two principal competitors Egypt and Brazil Egypt would have also increased her exports to those countries as a whole were it not for a rather heavy decline in her exports to Germany The third, Brazil, has suffered very severely from the contraction of German imports of cotton, her exports to that country having fallen from 8,238 (in ten thousand kilograms) to 3 457 India, on the other hand, has improved her position in all these countries except Austria

Hemp

(In 10 000 kilograms)

		1929	1934	1935	1936
Austria.	Total	Not	301	482	455
	India	available	4	27	15
Belgium.	Total	1 457	521	741	554
	India	567	219	386	323
France	Total	2 721	1,311	1 057	1,210
	India	187	167	230	296
	China	—	—	63	248
	Yugoslavia	93	—	185	210
	Italy	1 787	1 007	463	134
Germany	Total	701	218	337	236
	India	200	165	107	130
	China	137	18	141	57

India's trade in hemp with the North European countries shows a slight falling off during 1936 as compared with the posi-

tion in 1935. Of the four importers in Northern Europe, three, Austria, Belgium and Germany, imported a somewhat smaller quantity of hemp than in the previous year. It is satisfactory to note, however, that Indian imports have fallen only because the total quantities of hemp imported by these countries have been reduced, and that her decline, in any case, is much smaller in proportion. For instance, Italy, which exported to Belgium 1,870,000 kgs. in 1935, could export only 768,000 kgs. in 1936: as against this, India, which exported to Belgium 38,594,000 kgs. in 1935, was still able in 1936 to export 32,348,000 kgs. The two other importing countries, France and Germany, increased their import of Indian hemp by small, though satisfactory, margins. The total imports of Indian hemp in North European countries are, however, still much below the levels reached in 1929.

COIR.

(In 10,000 kilograms.)

		1929.	1934.	1935.	1936.
Belgium.	Total		— Not specified. —		303
	India				173
	Ceylon...				126
France.	Total	1,128	910	758	888
	India	570	520	355	459
Germany.	Total	182	74	61	122
	India	45	31	25	55
	Ceylon...	127	42	36	68
Poland.	Total	Not	17	21	15
	India	speci-	7	7	6
	Ceylon...	fied	4	6	8
Switzerland.	Total	231	289	317	292
	India	100	114	127	102

It will be seen from the above table that both France and Germany increased their imports of coir from India. France, as India's largest Continental customer of coir, imported 4,590,000 kgs., that is 1,050,000 kgs. more than in the previous year, while Germany more than doubled her imports, having imported 250,000 kgs. in 1935 and 550,000 kgs. in 1936. Switzerland, also an important consumer of Indian coir, however, reduced her total imports of coir during that year, as also did Poland, though to a smaller extent, as her total imports are very small. Belgium imported the major portion of her requirements from India, as also did Holland. India exported more coir to the North European countries during 1936 than in 1935, though these are still considerably below 1929 level.

TEA

(In 10 000 kilograms)

		1929	1934	1935	1936
Austria.	Total	Not available	37	39	36
	India		11	13	11
Belgium	Total	29	24	29	28
	India	—	—	1	1
	Gt Britain	17	10	12	12
Czechoslovakia	Total	73	47	53	52
	India	4	6	7	9
	Gt Britain	5	18	22	20
France	Total	158	110	118	144
	India	44	14	10	8
Germany	Total	577	484	445	447
	India	151	96	100	163
Holland	Total	1 302	1 194	1 374	1 209
	India	7	9	9	8
	Gt Britain	299	178	188	136
Poland	Total	219	165	171	161
	India	44	27	35	34
	Gt Britain	93	40	5	2
Switzerland	Total	70	70	81	82
	India	56	54	65	64

Comparatively speaking, the Northern European countries consume very little tea, and they import the greater portion of their requirements through London This fact makes it difficult to estimate correctly from the official statistics the actual quantity of tea imported from India into these countries It appears, however, that Germany and Switzerland are among the chief importers of Indian tea on the Continent Poland, France, Holland, Czechoslovakia, and Belgium all import small quantities of India tea, and the bulk of their requirements they obtain either through Great Britain or from the Dutch Indies, China and Ceylon

COFFEE

Very little Indian coffee appears to be imported on the Continent During the year under review, India increased her exports of coffee to Northern Europe, but her contribution to the total imports of coffee by the countries concerned still constitutes only a small percentage, barely 1 5% France, which imported the largest amount of Indian coffee, is also the largest importer of coffee Of her total imports of 186 4 million kilograms only 4 0 million came from India In Germany the imports of coffee from India amounted to just over 3 million out of 155 3 million kilograms, Switzerland, Holland and Czechoslovakia imported from India respectively 8 million out of a total of 15 1 million kilograms 1 million out of 32 3 million, and 3 out of 11 1 million It is evident that coffee is not, as yet, an important article of Indian export to the Northern Europe

Hides and Skins.

Germany is unquestionably the most important customer in this area of India's hides and skins. She imported approximately the same quantity of cow hides from India as in the previous year, although her total imports of such hides show a small decline. Of reptile skins, too, the German imports fell heavily, but India's share went up both proportionately and absolutely. In 1935 Germany had imported from India 8.5 million pieces of reptile skins out of a total of 79.8 million. In 1936 she increased her imports from India to 12.8 million, even though her total imports fell to 47.3 million pieces.

Hides and skins are the one item of Indian exports whose present figures are of the same order as those of 1929. This is the more striking in regard to Germany, whose foreign trade in this commodity has been reduced to almost a fourth of what it was prior to 1932.

Oilseeds.

(a) *Groundnuts.*

India's trade in groundnuts improved very satisfactorily during the year 1936, as will be seen from the following table:—

(In 100,000 kilograms.)

		1935.	1936.
Austria.	Total	—	51
	India	—	36
Belgium.	Total	293	430
	India	138	300
Czecho-slovakia.	Total	475	395
	India	281	254
France.	Total	3,390	3,699
	India	1,736	1,990
Germany.	Total	1,840	2,897
	India	1,263	2,106
Holland.	Total	1,428	1,183
	India	343	442

It will be seen that in Holland, where there has been a decline in her total imports of groundnuts, India has actually improved her position. Only in Czechoslovakia has there been a fall, both in the total imports of groundnuts, as well as in India's share in them. India has done fairly well, but there is still considerable scope for her groundnuts in these markets, as the total imports are considerably short of those in 1929, when, for instance, Germany's total imports were twice what they were in 1936. . . .

Switzerland also is a considerable importer of Indian oil seeds groundnuts, rape seed etc

	(In 100 000 kilograms) 1934	1935	1936
Total	408	421	451
India	349	223	221

These figures indicate that India is losing ground to other countries It is reported that Dutch East Indies are gaining at the expense of India

(b) *Linseed*

On the whole, Indian exports of linseed to the countries of Northern Europe rose in a satisfactory manner Both Germany and France imported substantially larger quantities In 1935 France's imports of linseed amounted to 253 3 million kilograms, and of this 5 6 million kilograms came from India, in 1936 she imported 11 7 million kilograms from India out of 280 3 million The improvement in Germany is even more satisfactory The 1935 position was an import of 6 7 million kilograms from India out of a total of 247 3 million In 1936 the total imports fell to 218 9 million kilograms but India's share went up to 20 0 million

(c) *Rape seed*

(In 10 000 kilograms.)

		1929	1934	1935	1936
Belgium	Total	391	424	641	447
	India	160	243	41	225
	Argentina	—	—	187	10
	Holland	22	68	195	156
Czecho-slovakia.	Total	554	463	90	173
	India	47	25	—	—
	Roumania	28	76	80	152
France	Total	1 380	1 388	1 031	1 060
	India	1 0?0	863	442	500
	Roumania	284	315	130	281
	Soviet Russia	—	—	346	232
Germany	Total	1 753	1 719	425	56?
	India	404	1 238	2?2	400
Holland.	Total	1 7?8	740	767	949
	India	1 183	582	83	508
	Hungary	—	—	20	300
	Bulgaria	—	—	405	19

The above table makes clear the decided improvement in the imports of rape seed from India Holland and Belgium imported more than five times the quantity they imported in 1935, although it is evident that the imports during 1936 are still less than in 1934 France too shows a slight improvement Since 1935 Russia has appeared as an exporter of rape seed to the French market with the result that the imports from India are very

much down as compared to the imports in 1934, and more than halved as compared with the position in 1929. Coming to Germany, it will be seen that the imports from India show a marked improvement over the imports in 1935, but are still only a half of the imports in 1934.

(d) *Castor-seed.*

FRANCE.

(In 100,000 kilograms.)

France.

	1934.	1935.	1936.
Total	191	192	179
India	126	139	67

The fall in the imports during 1936 is very steep indeed. It is not easy to explain such a decline, but it is conceivable that the market has been lost to Soviet Russia.

(e) *Oilcakes.*

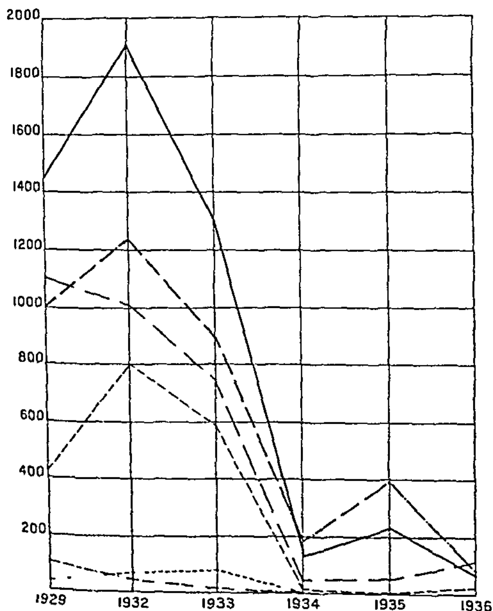
A glance at the graph opposite will show how Germany, which was once India's best customer of oilcakes on the Continent, has reduced her imports of this commodity. At present scarcely any oilcakes are imported from India. The principle of self-sufficiency which underlies the second Four-Years' Plan, is doubtless responsible for so remarkable a falling-off in the imports of a commodity which is very largely used for purposes of fodder.

Germany now has considerable areas under oil-seed crops, and it imports only the balance of its requirements. Even this reduced importation is very largely confined to certain countries, such as Roumania and Yugoslavia, with which countries Germany has entered into special trade agreements. It is probable that the total available oil-seeds in the country are sufficient to provide oilcakes in adequate quantities to make possible drastic reductions in the country's imports of the commodity.

Belgium and Holland, however, continued to be important purchasers of Indian oilcakes. In 1936 Belgium imported 198 hundred thousand kilograms of groundnut cakes from India out of a total of 430 hundred thousand kilograms. This was appreciably in ex[illegible] the imports in 1935, when Belgium took only 150 hund[illegible] nd kil[illegible]ms of Indian oilcakes. Holland also imp[illegible] tiall[illegible] ports of groundnut cakes from India, vi[illegible] grams in 1935 to 10.7 [illegible] lion kilogra[illegible] imports fairly large [illegible]ties of li[illegible] lland [illegible]mports some [illegible] cakes an[illegible]

G C = Groundnut Cake
L C = Linseed Cake
C C = Copra Cake

Total German import of G C
" " " " " from India
Total German import of L C
" " " " " from India
Total German import of C C
" " " " " from India



Of the other North European countries, France, Poland and Switzerland import large quantities of oilcakes, but from countries other than India Dutch East Indies, French Colonies and Roumania appear to be the principal sources

Manganese

Manganese is the only important mineral exported by India to the Northern Europe The following table will show clearly the wide fluctuations in the importation of this article —

IMPORTS OF MANGANESE

(In 100 000 kilograms)

		1934	1935	1936
Belgium	Total	205	242	154
	India (Brit)	24	29	14
	Portuguese Indies	58	156	78
	Russia	86	23	33
Czecho-slovakia	Total	160	5[illegible]4	546
	India	—	—	15
	Russia	—	140	321
Germany	Total	2 247	3 943	2 296
	India	127	734	511
	Russia	1 719	2 283	3[illegible]0
	S Africa	192	310	1 086
France	Total	5 782	3 379	4 018
	India	923	1 28[illegible]	1 404
	Russia	2 072	1 043	1,559

Poland and Holland import fairly large quantities of manganese, but these come, in the main, from Soviet Russia, which supplies also a substantial portion of the requirements of the countries in the above table In 1935 it will be seen that India exported to Belgium, Czechoslovakia France and Germany 2 049 hundred thousand kilograms out of a total of 8 108 hundred thousand kilograms imported by them Although their total imports fell to 7,014 (hundred thousand kilograms) in 1936 India with an export of 1,914 has almost maintained the position reached by her during the previous year On the whole, therefore India has no reason to be dissatisfied, though of course, it is evident that there is still plenty of scope for further development in these markets

Rice

For the rice trade of India to Northern Europe the year under review was even more depressing than the previous year Germany reduced her imports of both polished and unpolished rice still further, as also did Belgium Another important importer of Indian rice, Czechoslovakia, who is now the largest customer of Indo Burma rice, also slightly reduced her imports but the decline is not serious The import of Indian rice into the other countries is, comparatively speaking, negligible In 1934

the exports of polished rice into these countries amounted to 1,055 hundred thousand kilograms; in 1935 this declined to 733, and in 1936 the decline continued, and the export of rice amounted to no more than 547 hundred thousand kilograms. The separation of Burma, however, means that in future the rice trade will not be a matter of importance in this report, for the exports come almost entirely from Burma.

Chapter IV.—Prices in 1936-1937.

The rising trend of prices to which attention was invited last year, continued during 1936 and the first quarter of 1937. The following table illustrates this tendency clearly:—

TABLE IV.

WHOLESALE PRICES.

INDEX OF WORLD MARKET PRICES.

	20 commodities.				
		Agricultural Products.			Raw materials
	Total.	Total.	9 food-stuffs.	6 raw materials.	of industrial production.
	1929 = 100.				
1934 : Monthly average ...	60·6	60·8	62·5	58·1	59·7
1935 : Monthly average ...	62·5	63·7	67·0	58·2	58·1
1936					
January	66·0	66·9	69·4	62·6	62·7
February	66·2	66·9	69·7	62·1	64·1
March	67·1	67·6	70·6	62·4	65·6
April	67·9	68·4	71·6	63·3	65·7
May	66·7	67·1	70·5	61·6	65·3
June	67·2	67·9	71·7	61·9	64·6
July	69·9	71·1	74·8	65·3	64·9
August	72·1	73·7	79·2	64·8	65·7
September	72·1	73·5	79·0	64·8	66·6
October	71·3	72·5	77·2	64·9	66·8
November	73·5	74·5	77·7	69·4	69·5
December	76·7	78·1	81·5	72·4	71·5
1937					
January	78·9	80·1	83·4	74·8	74·5
February	79·1	78·7	81·7	73·8	80·8
March	83·8	82·5	84·1	79·6	89·5
April	82·8	82·3	83·8	79·9	84·9

It will be seen that prices of agricultural products rose steadily throughout this period, from 68.4 in April, 1936, to 82.3 in April, 1937. This steady improvement has meant, in the first place, increased purchasing power for the agriculturists, and improvement in their purchasing power has inevitably reacted favourably upon industries. The tendency of prices in the spring of 1937 is still upward.

In Appendix A are given the indices of wholesale prices in the eleven countries which come within the scope of this Report. They all curve upward but the inclination is least in the case of Germany, the total rise in the index for twelve months being no more than 1.5, while it is steepest in the case of France, where the index rose from 57.5 in April 1936 to 85.9 in April, 1937, the rate of increase being particularly rapid in the last six months. Comparatively greater increases in price levels naturally occurred in France, Holland and Switzerland, countries which devalued their currencies during the year. The increase is particularly marked in the case of France largely because of the purely domestic factor of social and economic legislation.

The course of prices of individual commodities on the Hamburg exchange is not of any significant interest. As was pointed out in the last Report, prices on the German *commodity markets* still do not bear any close relation to prices in world markets. The only broad conclusions one could draw would be that German prices of raw materials exported by India to Germany had in some cases fallen, and in others risen but slightly during the last twelve months, the rise being particularly marked only in regard to spices and cotton. For instance, in March 1936 the price of castor seed per 100 kilograms fluctuated from Rm. 51.50 to Rm. 53.50, whereas in March 1937 it varied from Rm. 50.50 to Rm. 52.50. Oilcakes are not quoted at all during the first quarter of 1937. Pepper (black Lampong) ended up at practically the same prices as in March 1936 but white pepper showed considerable appreciation from Rm. 169 to Rm. 182 per 100 kilos. Cotton (Bremen cl. II) also appreciated from 5.40*d.* per lb. to 6.15*d.*, while superfine (Bremen cl. I) appreciated from approximately 4.25*d.* to approximately 5.40*d.* The price of shellac fell *from Rm. 110-140 and Rm. 155-180 to Rm. 95-130 and Rm.* 120-150. The course of prices within Germany continues to be determined in accordance with the requirements of her price policy, of which the principal objective is *maintenance of stable prices*. During 1936 this policy was pursued with vigour, and with the appointment in October of a Price Commissioner whose duties are said to be not merely those of maintaining or supervising prices but to include also those of controlling the market conditions with a view to fixing prices, the policy may be said to have entered upon a second and more advanced stage of price control. In actual practice it has been found that while on the one hand import prices are kept under control with a view to preventing unjustifiable price increases, the export prices on the other are controlled with the different object of obtaining the most favourable prices possible. Every effort is made also to prevent rises in costs—for instance on account of higher prices of imported raw materials—by ensuring reductions in prices in *certain other directions*. In short, everything possible is done to prevent the occurrence of a price boom so that
wages may both be maintained at a stable level.

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Chapter V.—Miscellaneous Enquiries.

It is proposed in this chapter to give an account of the principal enquiries which were received and dealt with in this office during the year under review. It will be seen that they cover a variety of subjects, and emanate from various departments of central and local Governments, as well as from exporters of Indian raw products and Indian manufacturers and industrialists.

The Agriculturist of the Agricultural Research Station, Sakrand Sind, wished to be supplied with seeds of certain varieties of sugar beet cultivated in Europe. The necessary action was taken, and a number of firms, especially in Czechoslovakia, Poland, Holland, France and Germany, were good enough to supply free samples, which were sent to the Agriculturist at Sakrind Sind. The latter has promised to notify this office of the experimental results obtained for transmission to the firms concerned.

The Chairman of the Bombay Port Trust wrote enquiring: (a) Whether it was desirable to bring to the notice of commercial firms in the various countries, the facilities offered by the Port of Bombay, and if so, (b) how best to set about it. Detailed information was collected on the subject and forwarded to him.

The Department of Industries, Punjab, notified this office that the Punjab Government had decided to hold an Exhibition at Lahore, from the 15th December, 1937, to the 15th January, 1938, where it was proposed to give special facilities to manufacturers of machinery to demonstrate the working of small plant suitable for small-scale producers and cottage workers. Industrial associations and commercial bodies in Northern Europe were informed of this and were requested to bring the forthcoming Fair to the notice of their members. From replies which were received, it is evident that considerable publicity has been given in this manner to the forthcoming Lahore Exhibition In addition, many important firms likely to be interested in exhibiting their machinery in India were approached direct by this office, and many of them, particularly those having representatives in India, expressed their willingness to participate at the Lahore Exhibition.

The Director of Industries, Bengal, sent samples of Tassar Silk to this office, asking whether there was a possibility of finding a market in Sweden for such fabrics. The necessary action was taken.

The Director of Industries, Central Provinces, enquired if there was a market for poppadams in Europe. After making enquiries,

a reply was sent to the effect that poppadams are virtually unknown to the people in Northern Europe, and in the immediate future, at any rate, it would not be possible to sell them in this area on a commercial scale

The following are some of the enquiries received from the Director-General of Commercial Intelligence and Statistics, Calcutta An enquiry was made as to the reasons for the decline in the export of Indian ajwan seed to Germany On making investigations it was ascertained that this seed was used for the manufacture of thymol prior to 1926 After that year, however, synthetic thymol was manufactured, and it was therefore unnecessary to import the seed

Another enquiry related to the possibility of manufacturers of ink in India being allowed to tender for Government supplies in Germany and France The necessary information was given

The same officer wrote for information on compensation trade in hides and skins between India and Austria, and between India and Czechoslovakia The necessary enquiries were made and a report sent out to India

Enquiries were also received from Chambers of Commerce and commercial institutions for statistical data relating to India, names and addresses of Indian trade journals, information regarding the Indian Customs Tariff and Trade Marks Act, as well as for large industrial establishments in India

This office undertook, at the instance of the Hamburg branch of the Amsterdam Tea Bureau, the distribution among grocers in Germany, of literature on tea

The editors of *foreign travel journals in France, Belgium and Sweden* were furnished by this office with photographs of India suitable for advertising Indian tourist traffic

The following is a selection from the enquiries received from exporters in India A firm in Madras wanted connection with importers of tanned goat and sheep skins A Bombay firm required introductions to Continental importers of cotton waste. Another enquiry came from a firm in Calcutta for jute, hemp, mica and shellac importers A Mangalore firm asked for introductions to coffee importers, a firm in Kathiawar asked for Continental importers of bones, bonemeal and buffalo horns, another firm in Rawalpindi wanted importers of walnuts and almonds, and a Calcutta firm asked for connections with importers of bauxite on the Continent Appropriate action was taken in all cases, and the required introductions made.

Several enquiries were received for introductions to exporters in India, and among these the following may be mentioned. It may be stated here that, generally speaking, in connection with enquiries of this nature, the information required is furnished only after careful enquiries have been made as to the status of the enquiring firms.

A firm in Gothenburg, Sweden, asked to be put in touch with exporters of coir mats, and the necessary addresses were given. Another firm in Sweden asked to be put in touch with sports goods dealers in India. A well-established firm in the same country asked for names of exporters of Indian spices and curry powder. In both cases the information was supplied. An enquiry from Czechoslovakia related to graphite; another enquiry from that country was for coir fibre. The firms being of good standing, the required addresses were furnished. A firm in Paris desired connections with Indian exporters of jute bags and cloths and cotton piece goods, the latter commodity being required for exportation to Africa. Another important firm in France asked for and was given a list of exporters in India of various kinds of ores—manganese, chrome and wolfram. Another French firm required introductions to firms in India exporting scrap metal. A large firm in Denmark was introduced to exporters of shellac in India. An Amsterdam firm was put in touch with exporters of sports goods. Another Dutch firm was given the names and addresses of exporters in India of coffee, tea, spices, rice and canned and dried fruits. There were enquiries also from Belgium, Poland, Austria, Norway, Switzerland and Germany covering the following commodities: monazite sand, hide cuttings and fleshings, raw goat and sheep skins, cardamoms, cinnamon, nutmeg, crushed mustard and castor seed husks, rosin, lac and gum lac, jute, hemp and cotton, oilcakes, paymyra fibre and many other Indian products. In all cases suitable introductions were effected. A firm in Amsterdam asked for the names and addresses of Indian exporters of kapok. It was ascertained that the firm was of very good standing and did an extensive import trade with extra-European countries, and suitable introductions to firms in India were effected. An enquiry was received from a firm in Sweden, which wanted to import cotton and jute from India. This firm had up to that time been importing cotton from the U.S.A., Brazil and Egypt, and did a large export business with the whole of Scandinavia. Similar enquiries were received from firms in Belgium, France and Czechoslovakia. A firm in Amsterdam wished to act as agent for a firm in India exporting coffee to the Continent. The firm was recommended to exporters in India as suitable for business connections. A firm in Sweden was introduced to tea exporters in India. It will be seen that enquiries from importers on the Continent came from every country within the jurisdiction of this office, viz., Germany, France, Belgium,

Holland, Czechoslovakia, Poland, Austria, Norway, Denmark, Sweden and Switzerland It is also of interest to note that the commodities in which interest was shown comprised an enormous variety of articles, including citronella oil, rice, cassein, cotton yarn, animal hair, tanning materials, hides and skins, spices, chemicals, groundnuts, palmyra fibre, bristles, brassware, wood-carving, silk piece-goods, sandalwood oil, textiles, minerals, jute, hemp, tea, coffee, shellac and oilcakes

The following enquiries were received from importers in India A firm in Delhi asked for the names of makers of black flint paper in Belgium, a firm in Ahmedabad wanted the names of German firms making woven labels A firm in Lahore asked for the names of manufacturers of machinery, and a firm in Benares wanted to be put in touch with manufacturers in Germany of nails, bars, locks and hammers Another enquiry came from Cawnpore for shoemaking machinery manufacturers in Germany In each case the necessary information was passed on to the firms in India

A number of business men from India visited this office during the year and were given whatever advice and assistance they desired and it was possible for this office to give An introduction to firms in Germany able to supply milling plant on a barter basis against Indian wheat was given to one such visitor In another case an introduction to the foreign exchange and goods control authorities in Germany was given in connection with the liquidation of an outstanding frozen debt in Germany One caller was the representative of a Bombay firm wanting to open a branch office in Hamburg, he was given all necessary information Those business men who were seeking new connections and were desirous of establishing personal contact with importers, were given the names and addresses of firms interested in their particular lines of business

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Chapter VI.—Publicity.

(Chapter written by Mr C O Mordi)

During the year under review the office of the Indian Government Trade Commissioner in Hamburg participated at International Samples Fairs in Paris and Vienna, as well as at the cookery section of the Konigsberg Fair and the Food and Cookery Exhibition in Berlin Reports of these Fairs have already been published in the Indian Trade Journal, but are reproduced below for those of the business public in India who are not acquainted with the publicity work carried out by this office at Fairs and Exhibitions on the Continent

Turkey, Great Britain, Algeria Morocco, Africa and the United States No orders were booked although enquirers showed great interest in our exhibits the quality being considered good and the prices reasonable The reluctance to buy on the part of trade buyers whose requirements were of an urgent nature, was due to the fact that they were not clear as to their position regarding quotas Customs duties and import restrictions To understand this attitude it should be borne in mind that the Customs tariffs and import restrictions in most European countries are at any time subject to alteration It is therefore natural that the buyers of foreign goods are particularly careful in placing orders abroad for goods which are not due to arrive for a considerable time There is therefore a marked tendency amongst buyers to purchase from foreign firms having representatives in Europe holding stocks preferably duty paid and obtainable at short notice The same difficulties in booking orders were experienced by other Governments but in spite of these they, like this office in no way under estimate the value of participation at International Samples Fairs as the trade contacts established ultimately lead to steady and increasing business

The raw material section was not only of interest to importers of raw products but also to many manufacturers not primarily *interested in the import trade* but using the types of raw materials exhibited at our Stand in the manufacture of their goods These manufacturers have been accustomed to buying such raw materials originating from the French Colonies, and they therefore compared the quality and price of our raw materials with those they were in the habit of purchasing We were told in many cases that they would ask their importers to submit offers for Indian raw materials It was found that the excellent qualities of Indian tanned leather, lizard and crocodile skins were *not known* to a number of French shoe and leather manufacturers Indian furs and, to a certain extent Indian cotton coir yarn, palmyra fibre guts and casings and oil seeds seemed to be not very well known to French manufacturers Enquiries from importers regarding Indian raw materials came chiefly from firms who in the past have been *in the* habit of buying these commodities from countries other than *India* A comparatively large number of such enquiries was directed towards hides and skins, reptile skins, furs cotton guts and casings flax *furs* and oil seeds Enquiries were also received for coconuts coir yarn cotton waste, hemp and hemp waste jute waste mica tea *and* wool Of the manufactured goods artware proved a great attraction to both trade buyers and the public Our brassware exhibits were considered by the trade not to compare favourably with the same class of goods from French Morocco and Syria *in* so far is finish and prices were concerned The enquiries for brassware were more for the expen

were covered with Indian carpets, the colouring and design of which helped to enhance the very attractive setting of the interior of the Indian Pavilion The outside walls were decorated with coloured posters supplied by the Indian Railways Bureau showing different parts of India and depicting scenes of Indian life

As at previous Fairs, it was found that from the time the Fair opened until it closed on the last day, the Indian Stand was thronged with visitors, all showing very great interest in the various exhibits In particular, welcome publicity was given to our participation at the Vienna Fair by a broadcast speech (kindly arranged by the Austrian broadcasting system) by the officer in charge of our Stand prior to the opening of the Fair on the subject of India's export trade and India as a source of supply of multifarious raw materials Reference was made in this speech to the interesting display of goods on view at the Stand which are of interest not only to buyers but also to the general public The exhibits particularly associated with India such as brass and woodware coloured bedspreads and leather goods always attract the general public and therefore bring enquiries from trade buyers and Oriental goods and stores representatives The inlaid woodwork was of great interest the very fine workmanship shown in this particular type of exhibit being much praised The carpets shown were mostly of the cheaper variety and according to information received from trade buyers there is no market in Austria for the cheaper varieties of Indian carpet whereas the more expensive kinds of typically Indian design have a limited market in that country On the other hand coir mats and mattings attracted much interest among trade buyers who were of the opinion that these articles may find a ready sale in Austria and the neighbouring countries The number of enquiries received for sports goods was very high and there appears to be no doubt that good business can be [illegible] these goods provided firms in India are prepared to [illegible] the Continent Gut for tennis rackets was also much in [illegible] Indian leather, tanned and raw as well as prepared [illegible] skins were in great demand due to the fact that there [illegible] developed leather goods industry in Austria However [illegible] the import restrictions and the high tariff wall trade buyers of tanned leather were not certain as to the possibility [illegible] these commodities Cotton and silk goods received a [illegible] of attention whereas ivory ware and incense [illegible] few enquiries

As regards raw materials it was found that [illegible] tea, hemp, jute oils and fat cotton and [illegible] a fair share of enquiries but a larger [illegible]

President of the Austrian Republic, President Miklas, the Chancellor of the Austrian Republic, Dr Schuschnigg, the British Minister in Vienna, Sir Walford Selby, K C M G., the Mayor of Vienna, Burgermeister Schmitz, and deputations of Government and commercial departments

In conclusion it may be said that participation at the Vienna International Fair fully came up to expectations, both from the point of view of general publicity and as a means of forming valuable trade contacts with Continental importers.

Königsberg and Berlin Fairs, 1936.

For the purpose of advertising Indian foodstuffs this office participated at the Konigsberg Fair from the 23rd to 26th August, 1936, and at the Berlin Fair from the 7th to 18th October, 1936 Many other Governments also regarded these two Fairs as being particularly suitable for propaganda work, and Estonia, Finland, Latvia, Lithuania, Manchukuo, Poland, Turkey and Hungary were all occupying national stands The Indian Government Stand at both these Fairs was situated in the Cookery and Grocery Sections, and our practice of showing the German housewife and grocers the superior quality of Indian tea and rice by means of cooking demonstrations and the distribution of samples, was followed at these Fairs In this way the German housewife is able to judge the high quality of Indian rice which at the present time is meeting strong competition from other rice-producing countries. It must be borne in mind that before the introduction of the barter trade system in Germany, Indian rice was extremely popular. Inferior qualities have since been introduced on the German market by other countries and the German public is [illegible] gradually becoming used to the poorer grades of rice. It has therefore become increasingly important to keep the good qualities of Indian rice before the German consumer The same may also be said of tea. The public was shown at the Indian Stand the right way to make tea, and was given propaganda material which had been obtained from the Amsterdam Tea Bureau. Dishes [illegible] from Indian curry were also prepared, and no effort was spared to interest the public in Indian curries and chutneys

Wholesale dealers wishing to get into touch with exporters in India were given all necessary advice and the public was referred to retailers from whom they could purchase the commodities [illegible]sed at the Indian Stand, and whose co-operation this office had secured prior to the opening of the Fair It may [illegible] this office also participated at last year's Kö[illegible]

Berlin Fairs, and in comparing last year's results with those of this year, it is gratifying to note that the number of enquiries received from importers, distributors, retailers and restaurant proprietors from all parts of Germany, exceeded those of last year, and the interest taken by the general public also showed no signs of diminishing.

Chapter VII.—Staff and Acknowledgments.

During the year under review the staff of the Indian Government Trade Commissioner at Hamburg consisted of a chief clerical officer, an assistant clerk shorthand-typist, and two assistant clerks. Besides this, temporary assistance is given to the chief clerical officer when he organises Indian Stands at Fairs and Exhibitions.

Mr. Gupta had drawn attention in the last annual report to the rapid increase in the volume of the work of this office, and to the difficulty experienced by the staff in keeping up-to-date in all directions. The fact that, despite such pressure, the work continued to be discharged with reasonable promptitude, reflects great credit on the staff.

During the course of the year, the Indian Government Trade Commissioner visited Berlin (on three occasions), Brussels and London. Close and friendly relations continued to be maintained with the British Embassies and Legations in the countries within the jurisdiction of this office. The help and advice of H.B.M. Commercial Counsellors, Secretaries and Consular Officers have been, as before, invaluable. So invaluable also has been the readiness with which the various Chambers of Commerce and business associations, both in India and in Europe, have helped me, whenever there has been occasion to turn to them for some assistance. Finally, I should like to express my thanks to the departments concerned of the various governments within my area, for their unfailing courtesy and attention.

APPENDIX A

INDICES OF WHOLESALE PRICES

Original basis	Germany 1913	Belgium April 1914	Denmark 1931	France 1913	Holland 1926–30	Norway 1913	Austria 1st half 1914	Poland 1928	Sweden 1913	Switzerland July 1914	Czechoslovakia July, 1914
Monthly average—1934	70.3	56.1	88.8	58.3	61.6	79.0	84.6	55.8	77.0	62.1	69.6
Monthly average—1935	72.7	63.7	91.0	52.4	60.2	80.9	84.6	53.1	78.4	62.1	72.7
1936											
January	74.0	68.9	94.0	55.7	61.1	83.4	83.1	52.1	79.7	63.0	73.4
February	74.0	69.0	94.0	57.7	60.7	84.1	82.3	52.2	79.7	62.9	72.7
March	74.0	68.6	94.0	58.3	60.2	84.1	82.3	52.1	79.7	62.9	72.9
April	74.1	68.1	94.0	57.5	59.8	84.1	83.1	53.0	79.7	63.6	72.5
May	74.1	67.5	94.0	58.0	59.7	84.1	83.1	53.7	79.7	63.6	72.5
June	74.3	67.6	93.3	58.6	60.3	84.1	83.8	53.9	79.7	63.6	72.0
July	74.4	69.3	94.8	60.6	61.0	84.1	84.6	53.6	80.4	64.4	72.1
August	74.7	69.0	96.3	62.5	61.4	85.4	83.8	53.9	81.1	64.6	71.7
September	74.5	70.5	97.0	65.1	61.3	86.6	84.0	54.7	82.4	66.9	71.5
October	74.5	71.4	99.3	73.0	66.7	86.6	85.4	55.5	83.1	71.3	72.7
November	74.5	73.0	100.0	76.3	68.0	87.7	85.4	56.1	83.8	72.8	73.7
December	75.0	75.6	101.5	80.5	69.5	[illegible]	85.4	[illegible]	85.1	73.9	74.5
1937											
January	75.2	78.1	102.2	83.4	71.4	91.7	86.2	58.4	87.2	75.0	76.1
February	75.4	80.1	101.5	82.6	72.4	93.0	86.2	59.9	89.2	77.0	78.0
March	75.9	82.2	100.7	85.0	74.4	[illegible]	[illegible]	60.6	91.9	78.4	77.4
April	75.6	—	—	—	75.4	98.1	86.9	—	—	78.1	79.8

PRICES OF PRINCIPAL COMMODITIES QUOTED ON HAMBURG

January, 1936–January, 193

	1st week.	2nd week.	3rd week.	
Oils (Hamburg, in Marks per 100 kilos).				
Linseed	*n.q.*	*n.q.*	*n.q.*	
	n.q.	*n.q.*	*n.q.*	
Groundnut	*n.q.*	*n.q.*	*n.q.*	
	n.q.	*n.q.*	*n.q.*	
Castorseed	$37\frac{1}{2}$–$35\frac{1}{2}$	$37\frac{1}{2}$–$35\frac{1}{2}$	51–53	
	$49\frac{1}{2}$–$51\frac{1}{2}$	$50\frac{1}{2}$–$52\frac{1}{2}$	$50\frac{1}{2}$–$52\frac{1}{2}$	50
Oilcakes (Berlin, in Marks per 50 kilos, including Monopoly tax).				
Linseed Cakes 37%	8·65	8·65	8·65	8
	n.q.	n.q.	n.q.	
Groundnut Cakes 50%...	8·45	8·45	8·45	8
	n.q.	n.q.	n.q.	
Spices (Hamburg, in Marks per 100 kilos, duty paid).				
Cinnamon (Ceylon)	375–425	356–400	375–420	3
	n.q.	n.q.	n.q.	n
Pepper, black Lampong	165	162	160	1
	142	142	142	
Pepper, white Muntok	192	192	183	1
	183	183	180	1
Jute (London, in £ per ton).				
First marks	$19\frac{3}{4}$	$20\frac{5}{16}$	$20\frac{1}{4}$	
	19	$18\frac{3}{4}$	$18\frac{1}{2}$	
Inferior marks	$18\frac{3}{4}$	$19\frac{5}{16}$	$19\frac{1}{4}$	
	$18\frac{13}{16}$	18	$17\frac{7}{8}$	
Cotton, East Indian (Hamburg, in pence per lb.).				
Superfine mgd. Scinde, white roughish, Bremen, clause 1	4·70	4·50	4·40	4·
	5·00	4·95	4·95	4
Fine Oomra, Standard 1 Bremen, clause II	5·90	5·70	5·60	5·
	6·00	5·95	5·95	
Shellac (Hamburg, in Marks per 100 kilos, *ex* warehouse Bremen).				
T.N. Orange	n.q.	n.q.	110–140	
	95–130	95–130	95–130	
Button lac	n.q.	n.q.	155–190	
	130–150	130–150	95–130	
Rice (Hamburg, in Marks per 50 kilos, including taxes, duty paid).	n.q.	n.q.	n.q.	n.q
	n.q.	n.q.	n.q.	n.q

n.q. = not quoted.

…GES, JANUARY–MARCH 1936 AND JANUARY–FEBRUARY, 1937

February, 1936–February, 1937			March, 1936–March, 1937			
2nd week	3rd week	4th week	1st week	2nd week	3rd week	4th week
n q	n.q	n.q	n q	n q	n.q	n.q
n q	n q	n.q	n.q	n q	n.q	n.q
n.q	n.q	n.q	n q	n q	n.q	n.q
n q	n.q	n q	n.q	n.q	n q	n.q
53–55	53–55	53–55	52–54	52–54	51–53	51–53
50½–52½	50½–52½	50½–52½	50½–52½	50½–52½	50½–52½	50½–52½
8·65	8 65	8 65	8·65	8·65	8·65	—
n.q	n q	n q	n q	n.q	n q	n q
8·45	8·45	8 45	8·45	8 45	8·45	n.q
n.q	n q	n q	n q	n q	n q	n.q
380–420	380–420	380–420	380–430	380–430	370–440	380–440
n.q	n q	n q	n q	n q	n q	n.q
152	152	148	144	144	140	140
140	140	142	142	142	142	142
172	172	170	172	170	168	166
180	180	182	182	184	182	182
19	18¾	18⅞	19¼	19 3/16	19¼	19 3/16
18¾	18 11/16	19	19¼	19¼	19¼	19¼
18 5/16	18 1/16	18 5/16	18¾	19	19	18 11/16
18	18¼	18¼	18 11/16	18¾	19	19 [illegible]
4 35	4 40	4 30	4 30	4 25	4 25	4 25
4 90	4 90	4 90	5 30	5 35	5 50	5 65
5 50	5 50	5·40	5·40	5·40	5·40	5 40
5 80	5·75	5 76	5·93	6·00	6·20	6 35
n.q	—	—	110–140	110–140	—	—
95–130	—	—	95–130	—	—	—
—	—	—	155–180	155–180	—	—
120–150	—	—	120–150	—	—	—
n.q	n.q	n q	n.q	n q	n.q	n.q
n.q	n.q	n q	—	—	—	—

n.q = not quoted

APPENDIX C.

WHOLESALE PRICES.

	Rice. London, Burma, II.	Linseed Copra—London. La Plata.	Ceylon.	Cotton. Liverpool. amer. middl. foko.
	Per 112 lb.	Per 2,240 lb.		Per 1 lb.
	s. d.	£ s. d.	£ s. d.	d.
Monthly average—1934	6 9¼	10 6 0	10 1 4	6·67
Monthly average—1935	7 9½	9 13 8	12 13 5	6·69
1936				
January	7 5	11 1 7	16 4 6	6·39
February ...	7 5¼	10 16 9	15 7 0	6·25
March	7 7¼	10 17 6	14 2 6	6·43
April	7 10½	10 15 10	13 16 9	6·69
May	7 9¾	10 14 7	13 3 2	6·68
June	7 8¼	11 0 7	13 11 4	7·05
July	7 7¾	11 13 6	14 7 9	7·49
August	8 0¾	12 9 11	14 19 4	6·96
September ...	8 2¼	11 16 3	15 4 1	7·02
October	7 11½	11 7 2	15 8 7	7·08
November ...	8 0¼	11 4 6	17 19 10	7·00
December ...	9 0½	12 1 4	22 0 11	7·12
1937				
January	9 6¼	12 10 3	23 2 1	7·18
February ...	9 3¾	11 15 7	20 11 7	7·29
March	9 0	12 9 10	21 0 8	7·88
April	9 1½	13 3 0	20 13 4	7·63

	Flax. London. Rigaer.	Jute. Nat. I.	Cow hides. London best heavy.
	Per 2,240 lb.		Per 1 lb.
	£ s. d.	£ s. d.	d.
Monthly average—1934	60 10 3	15 9 8¼	4¾
Monthly average—1935	78 16 11	18 8 10	5¾
1936			
January	76 6 0	19 19 11	5¼
February	71 7 6	18 19 0	5¾
March	65 8 0	19 12 2	5½
April	59 7 0	19 0 8	5½
May	54 10 0	18 11 9	5½
June	52 5 0	17 6 2	6
July	54 19 0	16 12 3	6¼
August...	59 15 0	17 5 11	6¼
September	59 6 3	17 3 2	6¼
October	60 14 0	17 12 7	6
November	67 18 9	18 17 2	5¾
December	71 7 6	18 19 10	5½
1937			
January	78 2 6	18 11 10	6
February	80 0 0	18 16 3	6¼
March	80 5 0	19 10 11	6¼
April	83 0 0	20 19 9	7¾

APPENDIX D.

IMPORTS INTO GERMANY OF PRINCIPAL COMMODITIES EXPORTED FROM INDIA

(In Doppelzentners = Dz.)

1 Dz = 100 kilos = 220 lb 10 Dz = 1 metric ton = 2,204 lb

	January–December, 1935	January–December 1936	January–March, 1937
Jute and Jute waste	1 131 780	970 097	262 601
Jute bags	616	1 687	—
Jute cloth	1 056	1 688	—
Jute cloth, bleached	3 531	—	—
Cotton, raw (bales)	153 057	164 432	39 704
Cotton, raw (dzs.)	278 856	295,309	71 144
Indian and New Zealand hemp	10 688	13 034	3 946
Sisal hemp	4 305	665	—
Coir fibre	2 517	5 494	688
Coir yarn	106 781	84 933	20 126
Rice, polished	78 755	25 549	6 728
Rice, unpolished	989 077	605 404	35 0[illegible]5
Rice bran	3 896	24 647	—
Coffee, raw	4 073	3 621	460
Tea	9 995	16 284	4 243
Pepper	7,510	6 178	1,591
Myrobolams	94 669	68 115	5 036
Cow hides, raw, wet	378	509	226
Cow hides, raw, dry	50 245	47 905	13 776
Sheep skins, raw	1,264	2 647	21
Goat skins, raw (in pieces)	864 141	931 489	212 708
Reptile skins, raw (in pieces)	85 138	127 915	[illegible]
Goat skins, prepared (in pieces)	2 014 042	1 432 214	315 796
Sheep and Lamb skins, prepared (in pieces)	875 178	[illegible]	98 888
Box, Ebony, Teak, Rock Cornel, Persimmon Wood	35 932	2 743	1 166
Rapeseed	27 184	40 996	—
Mahua, Kapok, Niger Seed, Ben nuts, Cypherus Laurel	6,365	4 938	1,318
Groundnuts, undecorticated	8,518	79 40[illegible]	3 8[illegible]
Groundnuts, decorticated	1,263 0[illegible]7	2 10[illegible] 611	813 960
Linseed and Linseed Meal	67 072	200 296	48 917
Kopra	—	1 004	—
Oilcakes	—	—	—
Cotton seed	38	—	—
Groundnut	459	1 010	—
Kopra Cake	63	—	—
[illegible] seed	2	—	—
Animal bone manure, fish waste, blood meal, etc.	9,2[illegible]	2 663	7,876
Bone meal	62 14[illegible]	91,368	71 724
Gum lac	34 145	31 956	9 918
Shellac	19 117	19,237	7 184
Pig iron	1,5[illegible]6	—	—
Tin	8 6[illegible]	3 913	177
Magnesite	—	—	—
Manganese ore	733,544	511 168	395,[illegible]
Nickel ore	47 772	44 710	10 2[illegible]
Wolfram ore	14 810	8 743	7 476
Mica	7 873	9,346	2,2[illegible]
Pig lead	14,378	3 790	—
Paraffin wax	78 402	9,373	1,946

[illegible]—1/38—H & H O P [illegible]

OFFICE OF THE HIGH COMMISSIONER FOR INDIA.

INDIA HOUSE, ALDWYCH,
LONDON, W C 2

No T 40A-2-4 *6th September* 1935

From *The High Commissioner for India,*
London

To *The Secretary to the Government of India,*
Department of Commerce,
Simla, India

SIR,

I am directed to forward herewith for the information of the Government of India the Report prepared by Mr S N Gupta, C I E , I C S , on his work as Indian Government Trade Commissioner, Hamburg, and on the working of his office during the year 1934-35

2 After giving a concise summary of the main duties and principal activities of the Indian Government Trade Commissioner at Hamburg Mr Gupta proceeds, in an interesting and instructive chapter, entitled "Trade Developments and Tendencies," to outline the principal economic developments of the year under review in the countries of Northern Europe which fall within his jurisdiction This chapter is not confined to trade matters only, but traverses a large area and gives a complete and interesting description of the economic conditions within the various European countries Mr Gupta also deals at some length with the evolution of the present restrictions to international trade, from the problem of payments abroad, through exchange control, import quotas clearing agreements and compensation or barter trade He shows how the attempted solutions of the foreign payments problem with which some countries are faced, have pressed heavily on countries whose economy rests on the continuance of a more or less permanent favourable balance of trade It is now becoming recognised more generally that all these controls and restrictions are the outcome of endeavours to overcome the special circumstances of an abnormal situation The High Commissioner is glad to note that there are signs of some definite improvement in the economic conditions of the countries with which the Report deals, more especially in domestic trade and industry, and he hopes that this improvement will spread to the field of international trade and bring about an early reduction, if not complete removal, of all the barriers which stand in the way of a return to normal business in that sphere

3. In Chapter IV of his report Mr. Gupta deals with price movements during the year under review and he shows that the higher level, which had been reached at the end of the previous year, has been maintained and in some cases surpassed. The future course of prices is so closely bound up with the wider questions of international monetary policy, that it is impossible to forecast with safety; but the High Commissioner regards it as a matter for satisfaction that the prices of many of India's staple commodities of export have shown increases during 1934-35.

4. In Chapter V entitled "Publicity and Propaganda," Mr. Gupta gives an account of the Leipzig Fair in which, for reasons given by him, India did not participate officially during 1934-35; and the Cookery exhibitions in which his office did participate. Although India did not take any part in the Leipzig Fair the High Commissioner is of opinion that it was wise of Mr. Gupta to pay a visit to the Fair and to include in his Report a full account of his visit to the stalls opened at the Fair by other countries. This chapter of the Report also contains detailed information of the participation in the Berlin Grocery and Cookery Exhibition in September, 1934, and the International Cookery Exhibition at Frankfurt-on-Main in October of the same year. These cookery exhibitions afford good opportunities for publicity and propaganda in favour of Indian foodstuffs, and the supply of properly cooked samples to the visitors to the exhibition is probably the most effective method of overcoming natural conservatism in matters of food.

5. Mr. Gupta has accomplished another year of good work under somewhat trying and difficult circumstances, and I am to add that it is a source of much gratification to the High Commissioner that, since the close of the year under review, His Majesty has been graciously pleased to confer on Mr. Gupta the honour of Companion of the Indian Empire in recognition of the excellence of his work. The High Commissioner also takes this opportunity of expressing his appreciation of the good work done by Mr. Gupta's staff, to which his attention has been drawn in the Report.

I have the honour to be, Sir,

Your most obedient Servant,

B. RAMA RAU,

Deputy High Commissioner.

CONTENTS

ILLUSTRATIONS.

ANNUAL REPORT OF THE INDIAN GOVERNMENT TRADE COMMISSIONER, HAMBURG, 1934-1935.

Chapter I—Organisation and Functions.

With the year under review, 1934-1935, the office of the Indian Government Trade Commissioner at Hamburg entered on its fourth year of existence and the present report is the fourth of its kind I held charge of the post of Trade Commissioner for the whole of the period under review Mr C O Moeder, the Chief Clerk of this Office acts as Trade Commissioner temporarily for the periods when I am absent from Hamburg either on duty or on short leave My office continues to be located at Neuer Jungfern stieg No 9, Hamburg, and therefore all letters and other communications meant for the Indian Government Trade Commissioner should continue to be forwarded to the above address Business firms and individuals in India may perhaps be aware that the office has a cable address, which is "GOVINDIACOM, Hamburg" It must, however be clearly understood that when a firm wishes this office to cable information out to India it must be prepared to send us a prepaid cable, or in the alternative to reimburse this office for cable expenses incurred

During the period under review I visited the following business centres within my jurisdiction Berlin, Paris, Brussels, Antwerp, Rotterdam, Bremen, Leipzig, München, Nürnberg, Stuttgart Hanover, Zurich, Basel, Copenhagen, and Malmö Close contact was maintained with British Embassies and Legations in all the countries within my jurisdiction The advice and assistance of H B M Commercial Counsellors Secretaries and Consuls have been of the utmost value to me in my work My debt of gratitude to these officers is a heavy one During the year I have had to go over to London several times for the purpose of personal consultation with the High Commissioner and the Indian Trade Commissioner in London in regard to trade and commercial matters of importance For the information of the business public in India it may be well to restate the jurisdiction covered by this office It embraces Austria, Belgium, Czechoslovakia, Denmark, Northern France, Germany, Holland, Norway Poland, Sweden and Switzerland

The following are the main duties performed by the office of the Indian Trade Commissioner at Hamburg —

(i) It attends to enquiries received from exporters in India regarding markets for goods, introductions to Continental

importers, testing of samples, and market and general information.

(ii) It deals with enquiries received from Continental importers regarding introductions to exporters in India, commercial and general information on markets, crops, specific commodities, etc.

(iii) It assists Indian importers who are desirous of seeking connections with Continental manufacturers and exporters of finished goods, provided such goods are not in competition with similar goods of Indian manufacture.

(iv) It maintains up-to-date registers and card-indexes of reliable Continental importers, Indian exporters and Continental manufacturers and exporters, for the purpose of dealing with enquiries under (i), (ii) and (iii).

(v) It participates in trade fairs, maintains a permanent exhibition of Indian products and manufactures, and a library of commercial publications, and performs general publicity work by way of photographs, lantern slides, pamphlets and press interviews.

(vi) It furnishes reports to Government departments and offices in India which seek its assistance on various matters connected with commerce and trade. Weekly and quarterly reports are also sent to the Director-General of Commercial Intelligence and Statistics, Calcutta, the latter being published in the "Indian Trade Journal."

(vii) It deals with Claims cases and trade disputes generally between Continental importers and Indian exporters.

Exporters and importers in India are again reminded of the fact that trade enquiries should, in the first instance, be addressed to the Director-General of Commercial Intelligence and Statistics, Calcutta, through whose office all replies to enquiries under items (i) and (iii) are forwarded by my office. By the adoption of this procedure, the Director-General has in his office records already a great deal of the information which the enquirer wants; previous reference to the Commercial Intelligence Office in Calcutta will save the enquirer much valuable time, and he will often get what he wants at least two months earlier than otherwise. In those cases where the Commercial Intelligence Office has not the required information it will make an immediate reference to this office, which will then initiate and complete the necessary enquiries and forward the results to the Commercial Intelligence Department, Calcutta, for transmission to the original enquirer and for the filing of the information in the office records for future use. It will therefore be in their own interest if

enquirers in India make application in the first instance to the Director-General of Commercial Intelligence and Statistics Exporters and manufacturers in European countries should refer to their respective consular officials in India for information, advice and assistance about markets in India for their goods, as this work lies outside the jurisdiction of the Trade Commissioner's Office It is, however, part of the Trade Commissioner's work to help importers in India to establish relations with manufacturers and exporters in Europe of finished goods, provided such goods do not compete with similar goods of Indian manufacture Indian importers are invited to avail themselves of the intelligence service provided by the Director-General in Calcutta and the Trade Commissioner in Hamburg in this matter The Chapter in this Report dealing with Publicity is recommended to business men in India who are anxious to establish their goods in the various European markets The close and friendly co operation of Indian exporters and manufacturers is specially desired by the Trade Commissioner in his exhibition and trade propaganda work

Chapter II.—Trade Developments and Tendencies.

The period covered by my previous Annual Report (1st April, 1933—31st March, 1934) was it will be remembered, one of gradual, if slow, recovery from the depths of the economic depression, a period in which some advance was made towards better prospects all round The level of wholesale prices had been definitely higher than in the past, retrograde movements being temporary and of short duration Industrial activity was much greater in all the major industrial countries Public works and other governmental schemes, including credit expansion, having for their object the stimulation of the domestic markets, were pursued with energy and vigour It was therefore not surprising that as a result of these influences unemployment, one of the worst evils of the depression, was much reduced in a large number of countries Renewals and replacements had taken place on a large scale during 1933-1934, thereby increasing the demand for both consumption and production goods Cheap and plentiful monetary conditions in most countries facilitated the efforts of trade and industry to bring fresh life into internal business and commerce Finally in spite of all obstacles there had been during 1933 and 1934 some improvement in the international exchange of goods, though the progress achieved in this sphere compared unfavourably with the relatively far greater activity in domestic trade

This, then, roughly was the position about March 1934 All over the world people looked forward to further advance in the course of 1934 Looking back upon that year and the first months

of 1935, the general impression gained from a survey of the events of the period and of the economic tendencies which displayed themselves, is that by contrast with 1933-1934 the year 1934-1935 has been a period of hesitation in the advance towards economic recovery, a period of marking time when people have looked round to see how far exactly they have progressed and just where they are and what are the obstacles that stand in the way of further advance and improvement. It would not be far wrong to say that the period under review has been employed to consolidate the gains so far achieved and to bring under careful scrutiny the methods that are likely to be best suited to further progress.

It would, however, be mistaken to infer from these observations that 1934-1935 has been a standstill period. The recognised trade barometers all more or less record appreciable improvements during the year. Bank deposits and clearing-house returns were much higher in 1934 than at any time since 1930. The indices of production are especially noteworthy and may be quoted. In the U.K. they were as follows:—

(1924 = 100)

1931.	1932.	1933.	1934.			
			1st qr.	2nd qr.	3rd qr.	4th qr.
93.7	93.3	98.6	110.3	110.3	106.0	116.0

In Germany the production indices show the following tendencies:—

(1928 = 100)

1931.	1932.	1933.	1934.			
			Jan.	Apl.	Oct.	Dec.
73.6	61.2	69.0	79.1	86.1	86.3	86.6

In Sweden these same indices were as follows:—

(1928 = 100)

1931.	1932.	1933.	1934.			
			Jan.	April.	Sept.	Dec.
89.4	83.8	86.8	99.0	105.8	107.7	109.6

It will be seen from these figures that the year 1934 was marked by a definite advance in production, both industrial and other, over the years immediately preceding.

Again wholesale prices also show some improvement in 1934 in most countries as will be seen from the following table:—

Sept., 1931 = 100

	U K	Germany	France	U.S.A
1913	116	91 9	111 1	101 1
1929	160·9	126 1	141 3	139 4
1931	107 7	101 9	105 5	103 5
1932	103 6	88 7	92·0	89 3
1933	103·5	85 7	8[illegible]7	93 7
1934	106 4	90·4	83 1	111 1

With the exception of France, where deflation continues, it will be observed that wholesale prices have made substantial advances during the period under review This is indeed satisfactory and is proof that the development that occurred in 1933 was a healthy one and independent of speculative influences It is also in part the result of the monetary policy that has since 1932 been continuously pursued by the governmental and banking authorities in many countries Each succeeding year makes it clearer that the existence of cheap and plentiful money has been an essential factor in causing the economic recovery that has, up to the present taken place It has been argued in some quarters that this policy has after all really achieved very little, because so little advantage has been taken by industry and commerce of the vast sums that now lie idle at the disposal of the great banking concerns Such a view takes little cognizance of the character of the trade development that has been taking place during the last two years So far as domestic markets are concerned, industrialists in all countries have not been slow to make use of the banking facilities that are now available to them, because the elements of certainty and confidence have characterised internal developments It is when one turns to trade across the national frontiers that the industrialist and merchant see before their gaze a whole series of obstacles in the shape of exchange controls clearing agreements, frozen debts rising tariffs, import quotas, restrictions and licences all of which taken together convince even the bravest of manufacturers and exporters that the launching of new ventures on such a stormy and uncertain sea is a course which ordinary prudence would hardly recommend

As has been remarked in the preceding paragraphs the course of wholesale prices during 1934 has given grounds for sober optimism from the viewpoint of future recovery We are, of course a long way from the prosperity of the pre depression years it is also true that the level of wholesale prices in 1930 has not yet been [illegible] Nevertheless, we are now within striking distance of it and if the progress achieved in 1933 and 1934 is maintained and [illegible] into 1935 and beyond, it may be safely stated that it will [illegible] long before we are well out of the wood and can see the [illegible] ahead of us It may be useful as an indication of the [illegible] prices to set down at this point the Board of Trade Index [illegible] of wholesale prices for the years [illegible] 1932 [illegible]

Average for 1930 = 100.

	1930	1932	1933	1934	1935
January	108·6	89·3	84·7	88·8	88·3
April	103·2	86·3	82·8	87·7	
July	99·7	83·1	86·8	87·9	
October	95·1	85·0	87·5	87·8	
December ...	91·9	84·8	87·6	87·8	

It will be noted from the indices above that though the rate of progress in 1934 over the 1933 indices was slower than that in 1933 over 1932, it is nevertheless a steady and, therefore, wholesome advance, and promises well for the coming months.

Part of the improvement in wholesale prices in 1933 and 1934 may be ascribed to two factors which are interconnected. The domestic industrial revival in all the major manufacturing countries, which was largely influenced by governmental policy and the concentration on home markets for lack of foreign outlets, naturally created a comparatively heavy demand on the world's raw materials during these years. The law of supply and demand came into play and in the absence of an increasing output of primary commodities, as had been the case for a number of years between the end of the War and the beginning of the economic depression, an appreciable decrease in world stocks of primary commodities took place, a factor which has helped to support wholesale prices. Agricultural producers the world over have learned the bitter lesson of the pre-depression years, and, in most of the great agricultural countries, national and international schemes for the control of or reduction in the production of primary commodities may be met with. Some of these control schemes are on a voluntary basis, while others have the backing of governments. Thus internal industrial activity and the reduction of world stocks of primary commodities have combined to maintain and improve wholesale prices in 1933 and 1934.

Internal revival in the industrial countries has not been confined to any one trade or to any particular side of industrial activity. Recovery has been fairly well spread out over all branches of industry: the improvement in many of the heavy industries is especially to be welcomed, though there is room for further improvement here, an improvement which cannot possibly take place without a corresponding improvement in international trade. This fairly general spread of internal recovery has been responsible for an equally general improvement of wholesale prices. There are, of course, exceptions, but taken all in all, the total improvement is reflected in the advance made in the general wholesale price index number in most countries. Revived industrial

activity in the European countries during the last two years has, of course, gone a long way towards easing the unemployment situation, which was extremely serious three to four years ago. Much leeway remains to be made up and the present number of unemployed workers in most of the industrial countries is still large. But four years ago the situation was a serious one, and full of dangerous possibilities from the point of view of social and political reactions. The reduction in unemployment has, therefore, brought relief to every country in more than one direction, an increase of purchasing power and of consumption being one of the chief blessings. The following table shows the course of unemployment between 1929 and 1934 in some of the countries in Europe:—

(In thousands)

	1929	1932	1933	1934
United Kingdom	1,263	2,813	2,589	2,221
Germany	1,915	5,580	4,733	2,658
France	10	308	307	377
Holland	64	271	323	333
Austria	192	378	406	370
Czechoslovakia	42	554	738	677

Reference has been made earlier to the anarchy at present prevailing in international trade. This statement is no exaggeration. Apart from the fact that total world trade, measured in terms of gold, has fallen to one third of the 1929 turnover, and that the quantum has been reduced to three-quarters of the 1929 level, a brief glance round the world to-day would provide convincing proof that the world has indeed slipped back economically two thousand years to the days of the barter of actual commodities against each other. This is actually what is now taking place. International trade is being hindered at every turn by a whole host of obstacles. Rising tariff walls impede the passage of goods from one country to another over the frontier. Exchange controls render the purchase and sale of commodities between nations most difficult. Import quotas, licences, fees and prohibitions all raise obstacles for the merchant who wishes to place his goods on the markets of a foreign country. All over the world the channels of foreign trade are being narrowed by innumerable restrictions, and the surprising thing about international trade is not that it has become seriously diminished, but that it continues to exist at all in spite of the handicaps and impediments that lumber its path. Most countries are persisting in the pursuit of a nationalistic policy in the economic sphere, but here and there recognition is growing that further progress in the direction of economic recovery is being impeded by those very hindrances to international trade which governments have been so apt to proclaim as being essential to the economic well being of their countries. Statesmen are slowly beginning to realise that economic nationalism may

sword, which is doing as much harm as good. In any case, they appear to be on the point of discovering that a boom in internal industry and trade is not enough by itself to lead to further economic recovery, that the limits of internal recovery may now have been reached, and that further progress cannot be made unless and until a recovery in international trade takes place. This has been recognised by one in the highest authority on the Continent in the following words: "Recovery cannot be found through internal trade alone, and foreign trade is the necessary basis of internal prosperity which is now being destroyed by the very measures that are intended to protect it."

International trade, however, in spite of the expression of similar views by other prominent statesmen, continued, during the year under review, to be confronted with increasing difficulties. Reference has been made already to the intensification of customs barriers, and the imposition of exchange controls, import quotas, licences, and a multitude of similar devices for the checking of the free exchange of goods between countries. Arising out of this chaotic state of affairs there grew up during the year one of the worst impediments to international trade since the commencement of the depression. As foreign trade became more and more hindered, countries began to devote unnatural attention to their trade balances with individual countries. The balance of trade of one country with another began to assume an importance in the eyes of the leaders which was out of all proportion with its real significance and which simply overlooked the fact that individual trade balances between pairs of countries cannot be shut up in separate watertight compartments, but must be totalled up and the result correlated with a number of other factors, viz., "invisible" exports (e.g., shipping services, foreign investments, etc.), and the fact as to whether a particular country is a creditor or debtor one. These considerations were swept aside and attention concentrated on whether country A had a favourable balance with country B. If favourable, well and good, and A promptly endeavoured to make the balance more unfavourable for B, with the result that B soon began to protest by shutting out or reducing imports from A. A and B then became embroiled in a trade war and hostilities ended up with a trade agreement, which generally succeeded only in reducing the volume of international trade between the two. On the other hand, if country A found that it had an unfavourable trade balance with country C, the statesmen of A first of all closed their eyes to the fact that A had a favourable balance with B, which might possibly outweigh the unfavourable balance with C, and then proceeded to threaten C with various forms of reprisals. C was informed that unless she took steps to redress the trade balance until it was less unfavourable to A, A would refuse to buy from C, and would impose quotas

and other restrictions on goods from C Another agreement between A and C was then concluded, the sole result of which was also to reduce the quantum of international trade And so the process, resulting in a general reduction of international trade, was carried on during the year under review

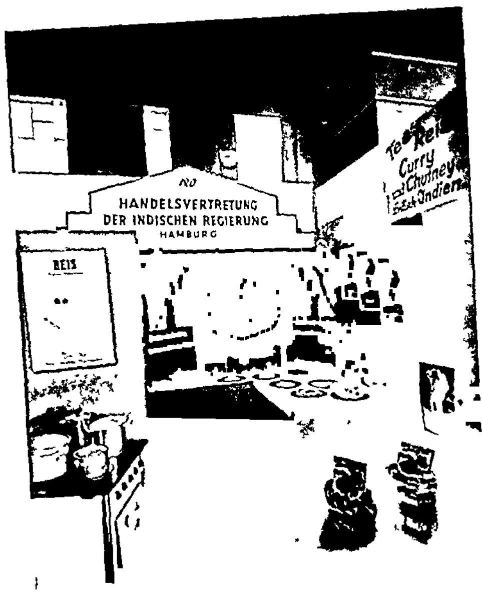
This brings us on to the subject of compensation trade and clearing agreements Both trace their origin to the difficulties created by the establishment of the exchange control system As has been seen earlier, the imposition of exchange control was one of the means whereby countries sought to protect their national currencies and economy The heavy fall in prices and the paralysis of international credit created conditions which imperilled the monetary and economic systems of a large number of countries and these, faced with such dangers, imposed restrictions on the purchase of foreign exchange in the open market The immediate result of these restrictions was the creation of serious obstacles in the way of the payment for goods between one country and another Neither the country imposing the restriction nor the country which traded with it had the desire or the intention to cease to exchange goods among themselves The problem to be solved was mainly one of payment for the goods so exchanged between them Limitation of trade to compensation trade and trade under clearing agreements has been regarded by some countries as a solution of the payment problem But the existence in any country of a payment problem necessitating exchange control presupposes an unstable state of affairs which clearing agreements and compensation trade can only improve to the extent that they can be used to modify the normal trade positions and make the balance of trade more favourable to the country which is in difficulty

The application of the principles of compensation or barter business in actual practice was not an absolutely new phenomenon that occurred for the first time during the period under review Compensation deals had been put through between large groups of industrialists and producers as far back as 1932 For instance, German coal had been sold to Brazil in exchange for coffee from that country, Spain had purchased German manufactures and had sold tangerines and grapes to Germany A certain amount of American cotton was bought by Germany in return for the sale of chemical manures Hungary and Roumania had sold grain to Germany on a barter basis But these transactions had been few and far between and had taken place generally at the instigation of governmental influence as a means of putting some vitality into foreign trade which was suffering under the dead hand of the world depression They did not at that time originate in exchange control difficulties The compensation trade that commenced

during 1934 was different in two ways from the previous instances of such business quoted above:—(a) The 1934 barter business was caused solely by the exchange control system; and (b) it was undertaken on private initiative to overcome difficulties caused by governmental action. In this sense the compensation trade of 1934 may correctly be described as new. Germany, of course, was the European country par excellence which developed barter business in 1934 to vast dimensions; and by the end of the year it can safely be stated that, apart from business transacted by means of the clearing agreements, very few imports came into Germany except on a compensation basis. The main principles of this kind of trade are very simple: it is when they come to be applied in practice that complications arise, caused mostly by official desire to impose regulations on barter trade, in pursuance of economic and financial policy. In this connection it has been observed that official intervention in compensation trade has, on more than one occasion, been able to influence the direction of trade. In Appendix D, at the end of this Report, there will be found a summary of the principal rules and regulations in force in Germany which govern the transaction of barter business between Germany and foreign countries.

As has been remarked earlier, clearing agreements also emerge from the difficulties arising from the imposition of the exchange control system in various countries. In so far as clearing agreements are concerned with the international exchange of goods, they merely represent the systematisation of compensation trade by guiding the flow of barter business into officially recognised channels. The basic idea of the clearing agreement is the elimination of transfers of foreign currency in payment for the exchange of commodities. The technique is fairly simple. The central banks of the contracting countries open up special accounts with each other and an agreed rate of exchange is fixed. Importers in each of the two countries make payments into the special accounts kept by the Central Banks in each country, and exporters are paid out of them. In this way the actual purchase of exchange is rendered unnecessary, and the exchange control procedure avoided.

Clearing agreements are, however, utilised not only for the purpose of facilitating the exchange of goods, but their aim also is the liquidation of frozen debts due from one contracting country to the other. These debts may represent both interest charges on loans and sums due on account of goods already delivered, but not paid for by reason of the exchange control, viz., frozen commercial debts. As the creditor country is generally unwilling to receive payment for debts due to it in the shape of increased goods and services, nearly every clearing agreement contains provisions for



INDIAN STAND AT BERLIN GROCERY AND COOKERY EXHIBITION
SEPTEMBER 1934

current exports or previous consignments, quite apart from default in regard to interest charges on loans. A weak currency country which has an active trade balance vis-a-vis its partner in a clearing agreement will generally have adverse balances with some "Third" countries. The liquidation of the financial claims of the stronger country by the weaker country frequently results in the postponement of the payment of claims of third countries, even though these claims may have had priority over those of the clearing partner. The net result of this chaotic state of affairs is perhaps the conclusion of further agreements or the accumulation of a large amount of frozen debts, and in any case a serious reduction in the total volume of trade between a clearing country and third countries. In the end the remedy has often proved to be worse than the disease. Some clearing agreements have been used as an instrument for changing the direction of trade or, as has been described earlier in this chapter, for restoring equilibrium in the trade balance between one country and another. Provisions to this end have proved in practice to be responsible for reducing the quantum of trade between the partners to the agreement, a result which was certainly not envisaged at the time the agreement was concluded. It will thus be seen that, all things considered, clearing agreements are bad in theory and worse in practice, and they have been denounced in many cases by countries which have felt compelled to enter into them. As they arose out of the economic and monetary difficulties caused by the economic depression and the chaotic state of the international exchanges, they will probably become unnecessary, and disappear with a return to normal conditions and confidence. A complete and expert study of clearing agreements, and their harmful effect on international trade, will be found, by those interested in the subject, in a publication entitled "Enquiry into Clearing Agreements," issued by the Economic and Financial Organisation of the League of Nations in 1935.

Economic and financial policy during the year under review has in most countries been, on the whole, anti-deflationary, though France is a notable exception. The policy in France has been accompanied by large schemes of public works and compulsory industrial reorganisation. In England the aim of the authorities remains as before, a rise in wholesale prices by means of cheap and plentiful money. In Germany internal industrial activity continues to be strongly supported by the Government and Reichsbank by means of credit expansion and public works. Belgium followed in the footsteps of France for some years, but after a long period of attempting to deflate prices and costs of production, gave up the struggle at the end of March, 1935.

During the year under review France has passed through troublous times. The heritage left behind by the Stavisky

scandal has had powerful reactions on the political and economic life of France in 1934 In the first place it brought about the downfall of the French Government of the day M Doumergue was brought in to steer the ship of state in the spring of 1934 He set about his task with vigour and promptitude Parliament was adjourned and M Doumergue proceeded to govern France by a series of Decrees a system which made him virtual dictator of the country The most pressing task of all was the feat of making the French Budget balance This was attempted by the Doumergue Government by the method of drastic all round economies Public expenditure was cut down to the bone salaries pensions and the super-abundance of civil servants all came under the economy axe The object was to bring down the general cost of living At the same time the Government set its face resolutely against all ideas of devaluating the French currency In a public manifesto of the Government the following remarks appeared at the time "The only alternative was inflation and the disorders which always follow it, for inflation does not solve any problems By postponing them and aggravating them it also leads to bankruptcy which, in its turn is responsible for every form of social fury and political convulsion " Every effort was made by the Government to deflate prices in France and to this end pressure was applied to bring down the prevailing interest rates which were very much higher than those in the U K Side by side with these deflationary measures and also partly in mitigation of them the Government planned to revive the economic life of the country by a series of measures having for their object the rationalisation and control of industry, the reduction of unemployment and easier terms of credit to middle and small size industrial and commercial concerns The rationalisation and control of industry was carried out up to a point by various measures details of which will be found in the "Economic Survey of France " written by Sir Robert Cahill H B M Commercial Counsellor at the British Embassy in Paris The reduction in the number of unemployed people was a task entrusted to the Minister of Labour, M Marquet and after many vicissitudes the "Marquet Plan" was voted and carried by the French Parliament In the main the Plan consisted of schemes of town planning and development road making bridge building re equipment of railways etc etc Most of the items were carefully chosen with an eye both to publicity and to helping the most depressed of the industries The Plan was to be financed from the social insurance funds During 1934 the large cities in France presented a most depressing spectacle At Marseilles the shipping industry was in a very depressed state and unemployment rife everywhere Lyons the centre of the silk industry, was in a very bad plight as the silk trade is based on the export trade, which showed few signs of overcoming the obstacles to be met in foreign markets Similar conditions prevailed in Rouen and Lille centres of the textile trade

The energetic measures pursued by the Government brought a certain amount of relief to French economic life. A substantial gain was the return of public confidence by the month of May. There was a rise in French "rentes" and the Bourse displayed a livelier tone. Unemployment figures showed gradual, though slow, improvement. French capital also began to return from abroad, where it had fled consequent on the Stavisky affair. The Government felt encouraged to attack the problem of the reform of taxation in France. Plans for the reform were worked up in May, and were, in the main, approved by Parliament. The Marquet Plan of public works was pushed through with energy and determination. Prices in France continued to decline in the summer, in accordance with the desires of the Government, and money became cheaper in the country, in consequence of which the treasury bond rate was reduced. Unfortunately, in the autumn of 1934 the Doumergue Government of National Concentration came to grief on the question of constitutional reform. M. Flandin, who succeeded as Prime Minister, had still before him the task of passing the Budget, and devising measures to combat the economic crisis. In a public speech in November, which was broadcast to the nation, he said that his efforts would be concentrated first of all on agriculture, which was the basis of all industry in France. His Government would then proceed, said M. Flandin, to a planned rationalisation of industry, including compulsory production agreements between manufacturers. The Marquet Plan would be carried through. Credits would be found, with the help of, or in spite of, the Banks, and the financial reforms of the Doumergue Government would be completed. In his opinion the root question in France was whether production should be adopted to consumption or vice versa. In the present cycle of business affairs he believed that production must be adapted to consumption. A closed national market was not essential for this adaptation; what was needed was a general equilibrium of production and demand. The paralysis of foreign trade by artificial restrictions was contrary to the interests of all producers. World prices expressed in gold were tending towards the level of French prices. This meant that markets could be found for French goods and that France could absorb foreign produce. In this connection the returns of French overseas trade for the year 1934 are interesting, as they show a marked decrease compared with 1933. But the decrease is almost wholly due to the decline in imports, the reduction in exports being relatively slight. The decrease in the imports of raw materials and of food accounted for the greater part of the decline in imports, the falling off in the imports of manufactured goods being relatively slight.

The year under review has been for Belgium a period of hard struggle against the economic depression. She has throughout its course striven hard to keep her currency on the gold standard.

This effort has necessitated her pursuing a policy of intensive deflation, of bringing down prices and costs of production, and has placed a heavy burden on both industry and commerce and the general population of the country. In July, 1934, the Belgian Government sought from Parliament the grant of special powers to carry on the administration in the best way considered possible in the circumstances and difficulties in which the country found itself placed. The Government declared that it intended bringing about a reduction of the public burdens, so that they could proceed to taxation reliefs. A primary aim would be the reduction of costs of production to enable industry to compete in foreign markets. In order to stimulate economic activity the Government proposed to exercise action on fiscal and financial charges, wages and general costs. No systematic pressure would be brought against wages, but the Government would intervene where disequilibrium showed itself. At home the Government would follow the policy of public works to combat unemployment. It would remain faithful to the gold standard and the parity of the Belgian franc. Subsequent to this, however, all the efforts of the Government to combat the economic depression in the country along these lines proved unavailing. Finally, the further fall in the sterling and dollar exchanges, which took place in February and March, 1935, proved the breaking-point, and by the end of March a change in the Government took place, whereupon the new Belgian Government, on taking office, devalued the Belgian franc by 28%, vis-a-vis its previous parity. This was a compromise between complete desertion of the gold standard and remaining on that standard at the old rate of parity. In passing it may be stated for the information of Indian merchants trading with Belgium, that the various currency and other restrictions imposed in Belgium during March in order to protect the currency have, with the devaluation of the belga, been entirely removed, and there is now complete freedom from all restrictions in the matter of payments for imports into Belgium and of the movement of funds.

Of the Scandinavian countries Sweden has enjoyed, during the year under review, a greater measure of prosperity as compared not only with her neighbours but also with any other country in Europe. In 1934 industrial production in Sweden was 4% above the average level of 1929 and 22% above that of 1933. The prolonged building strike of 1934 ended with a satisfactory settlement, which reacted favourably not only on the labour market, but also on allied industries. The Government programme of large-scale public works, based on loans, was most successful in reducing unemployment. The stabilisation of the Swedish kroner in 1934 at about 19.40 on London (parity=18.16) produced an invigorating effect on all departments

life. Domestic trade in 1934 was in a flourishing condition, the industries engaged on production for export have done better in 1934 than in any year since 1929, and wholesale prices have also shown an upward movement in the course of the year. Railway traffic earnings have gone up, and the amount of laid up shipping has been considerably reduced. Imports were higher in 1934 than in 1933. All classes of goods shared in the increase, but the heaviest increases were registered by raw cotton, cotton yarn and textile goods, iron and steel and their products, pig iron, copper and other metals, machinery, mineral and vegetable oils, chemicals and fertilisers. The demand for raw materials and heavy goods is on the increase. Altogether the economic situation in Sweden is satisfactory, and is likely to improve still further, provided events in the international field do not cause a set-back to this advance.

We must now finally turn our attention to the developments in the economic situation in Germany during the year under review. The outstanding feature of the first quarter of the review year (April-June, 1934) were the severe restrictions imposed on the importation of raw materials and semi-manufactures. These had their origin in the drastic reversal in the trend of Germany's balance of trade with foreign countries. Instead of the normal surplus of exports, the first three months of 1934 had revealled a heavy import surplus in the trade accounts. The following table shows the course of Germany's exports and imports from abroad, month by month, during the year 1934:—

Month.		Imports.	Exports.	Month.		Imports.	Exports.
		Mill. mks.				Mill. mks.	
January	...	372	350	August	...	343	334
February	...	378	343	September	...	352	350
March	...	396	401	October	...	350	366
April	...	396	316	November	...	346	356
May	...	380	337	December	...	399	354
June	...	377	339				
July	...	363	321	Total	...	4,456	4,167

1934 Import surplus = RM 289 million

1933 Export surplus = RM 667 million

These figures reveal the causes of the difficulties in which Germany finds herself as a result of the violent change in her international balance of payments. This change, so adverse to a debtor country, was ascribed to (a) abnormally heavy imports of raw materials to cope with the rapidly growing demand on the part of revived industries, and (b) the countless obstacles placed in the way of German exports in world markets, e.g., devalued currencies, high tariffs, import quotas, exchange restrictions and also the political-economic boycott in some countries. As a result of this change in Germany's international trade balance the German Government passed a series of decrees at the end of March and

beginning of April, 1934 imposing a *temporary prohibition* on the importation of a large number of important raw materials which India exports in large quantities to Germany. An import ban was placed on *cotton, wool, jute, hemp, flax, animal hair, hides and skins*, and certain non-precious metals other than iron and steel. This measure caused a serious dislocation in the foreign trade, and had an unsettling effect on the *raw material* markets of the country. But these prohibitions were by no means the end of the story. Side by side with the import ban the Government drastically *reduced the amount of foreign currency available for the payment* of imports. Up to March 1934 the amount had been 50% of the average monthly basis of the year 1931. This percentage for foreign currency (Devisen as it is called in Germany) was cut down step by step during March April and the following months to 45%, 35%, 25% 10% till finally by the end of June 1934 the percentage was *reduced to a mere 5%*, with the further proviso that the amount of foreign currency available for payment of imports should not from day to day exceed the amount daily earned by the Reichsbank.

With the exception of wool the prohibitions on the importation of raw materials were lifted by the end of May. During the prohibition period Government Control offices (Uberwachungs-stellen) had been instituted whose duty it was to ascertain the probable demand of the various industries for raw materials and to estimate the amount of stocks that were in existence in the country at that time. With the removal of the prohibitions these Control Offices were entrusted with the task of supervising and controlling the imports of raw materials in accordance with the industrial demand and their duty was also to *conserve supplies and ration them out to the manufacturers*. Industrial output was also controlled by these offices. It will thus be seen that by June 1934, the trade situation had become a serious one in Germany. Under the regime established by the Control Offices an import licence was required for each and every import. These licences were granted by the Control Offices to merchants and importers in some cases in others to the manufacturers direct who obtained their supplies of raw materials through the importers. In both cases imports were severely rationed by the Control Offices. Moreover, the troubles of merchants and manufacturers by no means ended with the grant of the import licence by the Control Office. Approach had then to be made with this licence to the Devisen Control Office for the necessary amount of foreign exchange to purchase the raw materials. About this time a new decree came into force, according to which the purchase of raw materials was removed from the ordinary regulations governing the percentage of Devisen available for import. No fixed Devisen percentage (on the basis of 1931 imports) was specified in the case of raw materials,

the intention clearly being that a preference in the allocation of Devisen should be shown to raw material purchases over manufactured imports. As a result of this severe control of imports and the lack of available Devisen, the import situation got worse by July. It became more and more difficult to do business with Germany, and commercial debts due to foreign exporters to Germany began to accumulate steadily.

Those countries which, from their point of view, had unfavourable trade balances with Germany, commenced at about this time to enter into negotiations with her for the conclusion of clearing agreements, which had as their aim the surmounting of the obstacles placed against the exchange of goods and payment for them. A further object of these agreements, as has been seen in an earlier part of this Chapter, was the liquidation of the commercial claims on Germany which had already piled up and had remained unpaid. Between July and December, 1934, clearing agreements were concluded between Germany and the majority of European countries and, in addition, a number of extra-European countries, which were important to Germany as suppliers of raw materials for her industries. Among the latter class were Argentine, Brazil, Egypt and South Africa.

The serious Devisen situation in Germany was responsible for another development, which made its appearance about the middle of 1934. Where clearing agreements were not concluded by Germany it was found by business men that trading on the ordinary basis had become almost impossible by reason of the severe import and Devisen control. Merchants had then, perforce, to turn their attention to the possibilities of trading on a barter system with those countries with whom Germany had no clearing arrangements. By September, 1934, business with India was done on a large scale on a compensation basis. Indian raw materials were imported and were compensated by the export of German manufactured goods to India. This type of business was both tolerated and mildly encouraged by the German authorities, and the one important condition imposed on it was that the value of the exports should always be greater than the value of the compensated imports by a percentage which ranged from 25% in the case of imported raw materials (e.g., jute, cotton, hides and skins) to 50% in the case of less important imports which were not vital to German industries. In this way the Reichsbank was able to increase its supplies of foreign exchange from barter trade.

In September, 1934, Dr. Schacht, the President of the Reichsbank and German Economic Minister, brought out his "New Plan." The essence of the "New Plan" was as follows: All imports into Germany, raw materials, food, semi-manufactured

and manufactured goods, would henceforth be subject to control The Import Control Offices and the Devisen Control Offices were united under one régime It was announced that in future the issue of an import licence would *ipso facto* be tantamount to a permit for the requisite amount of Devisen Exporters in foreign countries were advised that they should not enter into any commitments in Germany without previously ascertaining that a Devisen-import licence for each particular transaction had been issued to the German importer Under Dr Schacht's "New Plan" it was announced that when a German business man pledged his word to a particular transaction, that pledge would be honoured, and he would receive the requisite foreign currency from the Devisen Control Office to pay the claim of the foreign exporter

Events during the last quarter of 1934 however, showed that the "New Plan was hardly distinguishable from the old régime, and that any alterations which had been effected made trading with Germany even more difficult The countries which had concluded clearing agreements with Germany were not very much affected by the "New Plan , but from October, 1934, the trading situation in Germany grew much worse from the standpoint of those countries, like India which had not concluded any clearing agreement with Germany The German Government, observing that raw materials and semi manufactures essential to German industries were coming in in sufficient quantities both under the clearing agreement and also by means of compensation (barter) trade stopped, from October 1934 more or less completely, the issue of import-Devisen licences for the purchase of raw materials in the ordinary way As a result of these difficulties compensation trade between Germany and the non-agreement countries developed to such an extent that it can safely be stated that the trade between India and Germany has since October, 1934, been almost exclusively on the barter basis In these circumstances it is but natural that the volume of exports from India to Germany should shrink, and the German import statistics for the six months October, 1934, to March, 1935 show that imports from India were on a very low level indeed Compensation trade is a difficult matter in any case It compels exporters to become importers also, and vice versa this does not make for increased business The statistics of imports into Germany, shown in some of the appendices at the end of this Report, will reveal the heavy falling off in German imports from India during the period under review The natural course of trade between Germany and India has in the past both pre war and post war, always been that Germany has bought far more from India than she has sold to India The German statistics for the period October-December, 1934, showed for the first time in the history of Indo-German trade, a trade balance unfavourable *to*

India; and for the quarter January-March, 1935, imports into Germany from India and exports from Germany to India just balanced. This balance of exports and imports is, of course, the result of compensation trade between the two countries. But the danger to India in the present developments in Germany arises from the two following trends: In the first place, the equilibrium achieved in the exports to and imports from India has been at the expense mostly of imports from India. The following table will bring this fact out quite clearly:—

In 1,000 Marks.

	Imports from British India.	Exports to British India.	Balance.
1932			
January-March	47,238	27,096	20,142
April-June	37,454	28,549	8,905
July-September	33,131	27,010	6,121
October-December	40,961	26,692	14,269
January-December	158,784	109,347	49,437
1933			
January-March	41,331	19,292	22,039
April-June	36,309	19,997	16,312
July-September	43,606	22,730	20,876
October-December	32,671	24,828	7,843
January-December	153,917	86,847	67,070
1934			
January-March	34,183	22,910	11,273
April-June	43,549	23,013	20,536
July-September	32,568	23,477	9,091
October-December	24,400	25,000	0,600
January-December	134,700	94,400	40,300
1935			
January-March	26,800	26,700	0,100

The second danger point is far more sinister from the viewpoint of the future. One inevitable result of Germany's adoption of compensation trade and clearing agreements is that she has changed her sources of raw material supplies. She is now obtaining large quantities of raw materials, which she formerly bought from India, from countries with whom she has clearing agreements. She is getting cotton from Brazil, Peru, Egypt, Turkey, etc.; hides and skins from many of the European countries, but chiefly from the Argentine, Brazil, South Africa, Turkey, Spain, Dutch and French India, Mexico, etc.; oilseeds from European countries, Argentine and the French colonies, and so on. We have it on the good authority of such a high personage

as Dr Schacht that the present abnormal conditions in Germany are likely to continue for a decade This view is not held by him alone it finds an echo in other countries If, then, Germany continues for ten years to purchase from other countries raw materials which she had in the past bought from India she will become accustomed to these new sources of supply When normal conditions eventually reappear in Germany it is extremely problematical whether she will return to her old customers and purchase from them to the same extent as she did in the past This is a very serious danger, and one which must receive due consideration A mitigating circumstance may be the further development of compensation business between Germany and India as this will tend to keep up the connection between these two countries but the development of such an arrangement permanently postulates the permanent disappearance of India s favourable balance of trade with Germany

With the exception of jute Indian raw materials do not enjoy any monopoly of supply to the German markets and under the present abnormal conditions India can only maintain even the form of trade with equally balanced exports and imports to and from Germany by means of compensation or barter trade Under these conditions an expansion of exports from India to Germany postulates an expansion of imports into India from Germany

Chapter III —Commodities

The present chapter will deal with the main items of India s export trade to northern European countries commodity by commodity The principal features of this trade during the year under review 1934-35 will be referred to in the following paragraphs, and a brief mention will be made under each commodity of a few of the enquiries received during the period by this office from Indian exporters and Continental importers At Appendices AI and AII will be found the detailed statistics relating to the imports into Germany of the principal Indian commodities together with the names of India s chief competitors in this market and their respective shares in the German trade The statistics are in doppelzentners 1 doppelzentner is equivalent to 100 kilogrammes 220 lbs and 10 doppelzentners make one metric ton of 2 204 lbs Where reference is made in this chapter to French statistics the term ' quintal means 100 kilogrammes or 220 lbs

Jute

Imports of raw jute into the various northern European countries have during 1934 1935 either remained more or less station

ary or fallen off by comparison with the previous year (1933-1934). The only exception was Sweden, whose jute takings improved by nearly 20% as compared with the previous year. Holland reduced her imports by 40% as compared with 1933-1934, though this year's fall was not so great when compared with 1932-1933. Belgian imports were 9% lower than in 1933-34, though 28% higher than in 1932-33. In 1934-35 France imported almost the same quantity of raw jute as in the previous year and this amount was much above her imports during 1932-33. The following table gives the figures of imports of raw jute into France since 1931:—

(metric tons)

	1931.	1932.	1933.	1934.
Total ...	91,912	65,868	96,078	93,530
British India	79,893	58,297	90,592	92,959

(Difference = transhipment parcels from U.K. and Antwerp.)

It will be seen from the above figures that French imports have steadily improved since 1932, though they are by no means back again at the pre-depression level, which was in the neighbourhood of 120,159 tons. The French import quota system does not apply to raw jute, but only to tissues of jute, unbleached, pure or mixed. The statistics do not reveal much importation into France of tissues from India, the principal sources being the U.K., Germany and Belgium.

In so far as Germany is concerned, her raw jute imports during 1934 amounted to 107,005 tons as compared with 111,029 tons in 1933 and 75,467 tons in 1932. For the first quarter of 1933 German imports were 35,948 tons as compared with 34,902 tons and 27,596 tons for the corresponding quarters of 1934 and 1935. It will thus be seen that Germany's takings of raw jute, as in the case of France, have remained more or less stationary during the period under review, as compared with the previous year. This result may be regarded as fairly satisfactory, when one considers (a) that imports of jute were totally prohibited during April and May, 1934, and (b) the stringent import and Devisen control system which made business in the ordinary way extremely difficult, if not almost impossible, and gradually necessitated the importation of raw jute into Germany on a compensation basis since September, 1934. The improvement recorded in the 1935 imports is therefore worthy of note, and permits the hope that raw jute imports into Germany will continue at their present level during the remainder of 1935, though one disquieting feature looming on the horizon is the possibility of the German jute mills being compelled by decree to work short time in spite of the fact that order books are full and work for many months ahead has been contracted for. This danger has not, however, materialised up to the present, and future circumstances and developments may possibly avert it altogether.

The preliminary acreage forecast at the beginning of July estimated an area of 2,491,500 acres as compared with the revised figure of 2,518,000 acres in 1933. The forecast was below what was generally expected, and markets became a little firmer immediately after issue. Buyers, however, were unwilling to follow the rise in prices, which soon receded under disappointing Calcutta advices. The final forecast in September of the Agricultural Department in Bengal announced a crop of 7,963,800 bales, as compared with 7,933,200 bales *in the forecast of September, 1933*, and the later revised figure of 8,012,100 bales. The effect of the final forecast in September, 1934, on markets in Europe, if it had any real effect at all, was a "bearish" one. It was felt that the forecast had probably been kept on the low side in order not to depress prices, and it was recalled that in 1933 the revised figure of the yield was in excess of the forecast. First marks were lower in September than they had been in August, and in October it was realised in Germany that the "New Plan" of Dr. Schacht's was going to make jute imports extremely difficult unless they were transacted on a barter basis. In India governmental plans for a reduction in the acreage of jute were being considered. Restriction by means of official propaganda formed the basis of the proposed scheme for a reduced jute acreage. In the beginning of January, 1935, it was announced that the area to be planted with jute in Bengal in 1935 was to be five sixteenths less than the area of 1934. This news had an appreciable effect on jute markets in Europe, prices advancing by 5*s.* to 7*s.* 6*d.* per ton for a time.

During the year under review the imports into Germany of jute bags from India dwindled almost to vanishing point. In 1934 imports from India amounted only to 794 doppelzentners as compared with 3,008 dz., 5,251 dz. and 10,949 dz., respectively, in 1933, 1932 and 1931. For the first quarter of 1935 there were no imports of Indian bags at all as compared with 409 dz. and 2,119 dz. for the corresponding quarters of 1934 and 1933. It will be noted from the statistics at Appendices AI and AII that for 1934 out of a total import of 14,439 dz. Czechoslovakia supplied as much as 9,327 dz., and for the first quarter of 1934 the same country supplied to Germany 1,626 dz. out of a total of 2,664 dz. Holland and Belgium have also more or less disappeared as suppliers of jute bags to Germany. Coming to jute sacking cloth, the picture is much about the same as in the case of jute bags. In 1934 *India's sale of jute cloth to Germany* dwindled down to 316 dz. as compared with 1,912 dz., 3,393 dz. and 7,247 dz. in 1933, 1932 and 1931, respectively. It will, however, be noted from the appendices that the total German imports of jute cloth have gone up in 1934 as compared with previous years. For the first quarter of 1935 there were no imports of jute sacking cloth from India, whereas Czechoslovakia and Holland supplied

7,315 dz. and 5,047 dz., respectively, out of a total of 14,834 dz. Germany's takings of bleached, dyed and worked jute cloth have diminished considerably as compared with previous years, and her total imports in 1934 were only 2,150 dz. as compared with 9,912 dz. and 6,729 dz. in 1933 and 1932: out of this, India's share was negligible at 63 dz. as compared with 8,816 dz. and 5,327 dz. in 1933 and 1932. In the first quarter of 1935 there were no imports from India of bleached and dyed jute cloth. As will be seen from the appendices, India used to be the predominating supplier of this type of jute cloth to Germany. In 1934, Switzerland, Belgium and Holland were all well ahead of India. The foregoing statistics relating to the importation of jute manufactures into Germany clearly show that India has within the last two years lost a valuable market for her manufactured jute. She has given way mainly to Czechoslovakia and Holland. The causes for this serious decline in Indian exports of jute manufactures to Germany may be summarised as follows:—(i) Practically all the jute bags and cloth imported into Germany are brought in free of duty under the "Veredlungsverkehr" system, under which German agricultural and other produce is packed in bags and cloth manufactured in countries contiguous to Germany, to which the German produce is being exported. The foreign buyers of German agricultural produce, fertilisers, sugar, flour, etc., prefer to buy their packing materials in their own countries and send them to Germany where their purchases are packed in these materials and sent back to them. Hence the large imports of jute bags and cloth from Czechoslovakia, Holland, Belgium and other countries. (ii) On the other hand, imports from India of bags and cloth were mostly outright purchases which competed directly with the output of the German jute mills. For reasons which are quite natural, and in pursuance of the policy of stimulating internal industrial activity in Germany, imports of manufactured goods competing with home industries were not regarded with favour, and the import control and Devisen control system has gradually stopped the import of jute cloth and bags from India. The exigencies of the foreign exchange situation necessitated the allocation of all available Devisen for the purchase of raw materials essential to the German industrial system, and Indian jute bags and cloths, which came into competition with German-made bags and cloth, naturally found themselves adversely affected in the matter of obtaining Devisen permits. So long as the present Devisen difficulties persist in Germany and permits are only granted for the purchase of essential raw materials not obtainable by means of barter trade or via the clearing agreements with foreign countries, there is not much hope of an improvement in the sale of Indian jute bags and cloth to Germany.

In regard to other northern European countries, Holland's purchases of Indian jute bags in 1934-35 decreased by 30% as com-

pared with the previous year, while Belgian imports of Indian bags were slightly below those of 1933-34. It is satisfactory that there was only a slight decrease in Belgium's purchase of Indian bags, as she is, leaving aside the U.K., by far the largest buyer of Indian bags in Europe. France also decreased her takings of Indian bags slightly during the review year as compared with 1933-34. Norway, however, almost halved her takings of Indian bags during the year as compared with 1933-34.

From among the enquiries received during the review year by this office for jute and jute manufactures from Indian exporters and Continental importers a few may be selected for mention. A firm in Oslo asked to be put in touch with exporters of raw jute in Calcutta, and also with London jute houses. Names of interested London houses were given after previous reference to the Trade Department at India House, names of interested exporters in Calcutta were obtained from the D.G.C.I. and forwarded to Oslo. A firm in Lübeck (Germany) wrote and asked for an introduction to exporters of jute waste. The enquiry was forwarded to India and the names of interested parties were obtained and sent to the Lübeck firm. The publishers of a jute periodical in Calcutta wanted to be put in touch with a business man who would act as foreign correspondent in Europe for their paper. Enquiries were made and a suitable correspondent introduced to the Calcutta journal. The Trade Department in London asked us for the names of first-class importers of raw jute in Belgium. An exhaustive list of the best firms in Belgium was forwarded to India House. A firm in Prague asked to be put in touch with exporters of raw jute in Calcutta. The necessary introductions were effected, and the same firm came to us again for Indian connections in oilseeds. A firm in Copenhagen wanted to be put in touch with Calcutta exporters of raw jute, jute waste and jute tissues. After necessary enquiries in India, the names of interested firms were forwarded to the Danish firm. A firm in Oslo asked for introductions to firms in India who wanted agents in Norway for raw jute and jute bags and cloth. The enquiry was forwarded to India, and the names of Calcutta firms interested in the matter were sent to Norway. In regard to enquiries from German firms during the year under review it should be mentioned as a point of interest that nearly all of them wanted to do business with India in jute on a compensation basis (barter trade). The enquiry has usually taken the form of a request from the German firm to be notified of the names of Indian firms who might write to this office, wanting to buy German goods in exchange for jute and jute goods. The reply given invariably by this office has been to the effect that their request had been noted and a further communication would follow when Indian firms wrote for business of the kind contemplated. This

forwarded these letters from the German firms to the Director-General in Calcutta. When Indian firms have approached the Commercial Intelligence Department for barter business, their names have been forwarded to this office, for transmission to the original German enquirers. In some cases German manufacturers have written to us expressing their willingness to buy jute and other raw materials from India in exchange for the export of German goods to India. These enquiries have also been dealt with in the usual way. It should, however, be noted that it has been found extremely difficult to put Indian and German firms in satisfactory relations with each other for the transaction of barter trade.

HEMP.

By comparison with 1933-34, imports of Indian hemp into France and Germany showed some decrease during the year under review. The following table gives the figures for imports of raw hemp into France for the last four years:—

(In metric tons).

	1931.	1932.	1933.	1934.
India ...	2,067	770	1,789	1,607
Italy ...	7,730	3,305	10,826	10,073
Total ...	10,252	7,932	14,585	13,115

From the above it will be seen that though 1934 imports were slightly lower than in 1933, still they are far better than the very low figure of 1932. Imports in 1931 were phenomenally heavy and the average pre-depression figure for hemp lay in the neighbourhood of 1,900 tons per annum, so that imports in 1933 and 1934 may be regarded with satisfaction.

In regard to Germany, it will be seen from Appendices AI and AII that imports in 1934 were 1,648 tons as compared with 2,603 tons in 1933. But they compare not unfavourably with imports in 1932 and 1931, which were 1,774 tons and 477 tons, respectively. Nevertheless German imports in the first quarter of 1935 were distinctly bad, being only 152 tons as compared with 772 tons and 794 tons in the corresponding quarters of 1934 and 1933. This deterioration may be ascribed partly to the stringent import and Devisen control régime in force in Germany since September, 1934, under which business became difficult, except on the barter basis. A still more important factor, however, in depressing the demand for raw hemp was the introduction of regulations in the course of 1935, which have, it is understood, shortened the working hours of hemp factories in Germany though they had plenty of orders in hand to keep them as occupied as before. The reasons lying behind this official intervention are not easy to fathom, as the shortening will naturally have an adverse effect on the labour market.



INDIAN STAND AT FRANKFURT-ON-MAIN INTERNATIONAL COOKERY EXHIBITION, OCTOBER, 1934.

The principal European consumer of Indian hemp, Belgium more or less maintained her imports of peeled hemp from India during 1934 as will be seen from the following figures —

(In metric tons)

	1931	1932	1933	1934
Hemp (raw)				
Total	953	369	2 271	833
British India	370	146	642	172
Great Britain	110	115	568	32
British East Africa	—	12	366	19
Italy	74	—	208	240
Hemp (totally peeled)				
Total	12 590	5 814	4 371	5 214
British India	4 445	3 203	2 223	2 194
Italy	4 121	1 742	1,389	2 302
Great Britain	1 110	252	189	62
Netherlands	1 175	156	185	26

It will thus be seen that Indian hemp has recovered much of the ground it had lost in European markets, owing to defective quality and grading some four or five years ago The steps taken to remove some of these defects by the Imperial Council of Agricultural Research in India and by Indian producers and exporters, have gone a long way towards repopularising Indian hemp among Continental spinners

The following are a few of the enquiries received by this office for Indian hemp —A firm in Paris asked to be put in touch with exporters in India of certain varieties of Indian hemp Enquiries were made in India and the results communicated to the Paris firm This same firm subsequently requested our help in obtaining introductions in regard to other raw materials A firm of exporters in Bombay was introduced to importers in Antwerp, Hamburg and Copenhagen During the course of the year some German importers desired to do business with hemp exporters on a barter basis Their requests have been forwarded to the D G C I for necessary enquiries and possible action, but this type of business, as has been previously remarked, is very difficult to put through A firm in Brussels was introduced to exporters of hemp in Bombay and Calcutta

Cotton

Imports of Indian cotton (raw) into northern European countries during the year under review were on the whole on a lower level than during 1933-34 Holland's purchases decreased by 28% as compared with the previous year, though imports in 1934-35 were higher than in 1932-33 On the other hand Belgium increased her takings in 1934-35 by comparison with the two previous years, being 9 [illegible] higher than in 1933-34 The following table shows imports of raw cotton into France for the last four years:—

(In metric tons)

	1931.	1932.	1933.	1934
India ...	29,737	13,847	46,966	41,872
U S.A. ...	134,924	173,776	231,151	117,680
Egypt ...	39,539	34,278	49,418	46,113
Total ...	232,771	244,632	368,069	232,230

From the above it will be observed that imports in 1934 were, on the whole, lower than in 1933, both as regards total imports and also as regards imports from India's chief competitors in the French market. Indian imports in 1934 were higher than in 1931 and 1932. The average pre-depression imports of Indian cotton into France amounted to 56,000 tons per annum.

Coming to Germany it will be seen from Appendices AI and AII that imports of Indian cotton in 1934 were just slightly higher than in 1933, and much above the low imports of 1932. This is extremely satisfactory when one considers (a) that during April and May, 1934, imports of raw cotton into Germany were totally prohibited and (b) the import and Devisen control system in force since July, 1934. The system was applied with such severity from October, 1934, onwards that business became almost impossible on the ordinary basis and transactions were effected mostly on the barter system. The fact that imports from India for the whole of 1934 have not suffered by comparison with the previous year is due mainly to the unusually heavy amounts coming into Germany in the first few months of the year, owing to favourable prices vis-a-vis American cotton and the surplus stocks available in India for shipment to Europe after satisfaction of the domestic demand of the Indian cotton mill industry. It is when we turn to the import figures for the first quarter of 1935 that we see the full effect of Dr. Schacht's "New Plan" of September, 1934, on Indian cotton shipments to Germany. In that quarter India's share becomes reduced to 27,828 bales from 47,400 bales, and 38,114 bales in the corresponding quarters of 1934 and 1933. Most of this business was transacted on a barter basis, and it can safely be stated that hardly any Devisen permits were granted for the purchase of Indian cotton on a normal basis. As will be seen from Appendix AII, the U.S.A. suffered still more severely than did India. On the other hand it is interesting to note that Brazil and Turkey were able to ship very large quantities of raw cotton to the German market, though in previous years hardly any cotton from these sources came to Germany. Egypt has succeeded in maintaining her position on the German market much better than India and America by reason of semi-official compensation arrangements under which Egypt sells her cotton to Germany in exchange for the purchase of German chemicals and fertilisers.

The following cotton enquiries may be mentioned from among those received during the course of the year :—A firm in Bombay, representing a co-operative union of cotton growers and spinners in Surat, informed us that a representative of the firm would be visiting cotton centres in Europe during 1934 for the purpose of appointing agents to market their cotton. The necessary enquiries were made in Germany, France, Belgium and Holland, and when the representative called at the office he was given suitable introductions to firms in those countries and every advice and assistance possible. A firm in Warsaw asked us for the names of exporters of certain varieties of Indian cotton. Enquiries were made in India and the names of interested exporting firms were forwarded to the Polish firm. A firm in Gothenburg was introduced to exporters in India of cotton and cotton waste. A firm in Antwerp asked to be introduced to exporters of cotton and cotton waste. Names of interested parties were forwarded to the Belgian firm. A French firm in Havre was put in touch with exporters of Scinde Oomrah and Punjab-American cotton. A semi-official organisation in France asked to be supplied with full details and information regarding the characteristics of Indian cotton. The enquiry was sent out to India and the information required, together with literature, was obtained from the Indian Central Cotton Committee and transmitted to the French Association. A cotton firm in Bombay was put in touch with agents in Holland, France and Belgium. Another firm in the Central Provinces was introduced to importers in Belgium and Holland. A firm of Bombay exporters was put in touch with agents in Czechoslovakia, Austria and Poland. Two firms in Dresden were introduced to exporters of cotton and cotton waste in India. A Bremen firm wanted to act as agents for some good exporting houses in India; the enquiry was sent out to India and the names of interested parties were forwarded to the German firm. Another Bremen firm was put in touch with exporters of cotton and cotton waste. A firm in Saxony was introduced to exporters of special types of Indian cottons. A firm in Warsaw asked for the agency of an Indian firm exporting Indian fancy cotton manufactures. The enquiry was sent out to India and the names of two interested parties were forwarded to the Polish firm; subsequently the same firm obtained our help in regard to another commodity.

Coir

Imports of coir and coir manufactures into the various northern European countries, with the exception of Belgium, have been fairly well maintained during the year under review. Holland increased her purchases by 5[illegible] compared with the previous year but Belgian imports in 1934 were lower by 22 [illegible] as com

pared with 1933-34. The following table gives the imports of coir fibre into France during the last four years:—

(In metric tons).

	1931	1932	1933	1934
India ...	5,675	4,447	5,673	5,197
Mexico ...	1,385	1,576	2,420	2,230
Total ...	10,755	9,612	10,709	9,099

From these figures it will be seen that France imported less coir fibre in 1934 than in the previous year. Both India's and Mexico's shares were smaller as compared with 1933. It will, however, be noticed that Indian imports in 1934 were less than in 1931 Mexico has almost doubled her sales to France since 1931.

In regard to Germany, imports of coir fibre from India were higher in 1934 than in 1933, 308 tons as against 279 tons, but imports of coir yarn fell from 8,830 tons in 1933 to 8,265 tons in 1934. Ceylon, though she supplies a very small amount of yarn to Germany, nevertheless managed to improve on her previous year's sales. In the first quarter of 1935, while no imports of coir fibre, either from India or Ceylon, appear in the statistics, imports of Indian coir yarn went up from 2,516 tons in 1934 to 2,871 tons in 1935. Coir fibre and yarn are in demand in European countries for the purpose of manufacturing cheap mats, carpets, rugs and matting, and in the furnishing and upholstery trade as padding material for matresses, settees, chairs, etc. The following enquiries for coir fibre, yarn and manufactures may be referred to here:—A firm in Denmark asked this office for help in regard to difficulties that were being experienced in the importation of Indian coir mats into Denmark on account of official import restrictions. The National Bank of Denmark, which has charge of the administration of the import licence system, was approached by this office with the result that some of the obstacles were removed. A Cocoanut Growers' Association in Cochin asked to be put in touch with importers in various countries of coir fibres, yarn, mattings and rugs. Numerous enquiries were set on foot, and the names of interested importers in Germany, Holland, France and Scandinavia were transmitted to India. A firm in Amsterdam was introduced to exporters of coir mats and rugs. A firm in Stockholm was supplied with names of exporters of coir fibre and bristle fibre. A factory in Vienna asked for introductions to exporters of coir yarn: enquiries were made in India and the names of suitable exporters despatched to the Vienna firm. A firm in Brussels was put in touch with exporters of coir mats and matting of the better qualities. The same firm subsequently asked our help in securing for them names of exporters of jute rugs and carpets: this was also put through. A firm

in Amsterdam asked if they could obtain the agency of a good exporting house in coir fibre and yarn, also mats and rugs Enquiries were made in India and the names of interested exporters forwarded to Amsterdam A firm in Cochin asked to be introduced to a commission agent in Northern France for their coir yarn Enquiries were made and the names of interested parties forwarded to the Cochin firm

Rice

Imports of rice from India and Burma into practically all the Northern European countries during the year under review have declined as compared with imports in 1933 34 Sweden decreased her purchases of Indian rice in 1934 35 by 17% as compared with the previous year Poland, which has always been an important buyer of Indian rice, reduced her takings in 1934-35 by as much as 32% by comparison with 1933 34 As is well known, imports into Poland have been for some time past governed by the principles of compensation trade The application of the barter principle to imports is not intended in Poland to be a solution of any foreign exchange difficulties, as is the case in Germany, in Poland the principle is applied with the object of furthering Polish exports abroad, and thus aiding the Polish farmer and industrialist to recover gradually from the worst effects of the economic depression which hit Poland, mainly an agricultural country, very hard indeed on account of the catastrophic fall in the price level of agricultural commodities The main aim of the Polish authorities is to nurse the Polish agriculturist and factory owner back to economic health, and one of the means of achieving this aim is the application of the compensation principle to imports from foreign countries Import licences are required in Poland for a large number of commodities prior to their importation, and in the granting of these licences, the authorities take care to see that imports are, wherever possible, balanced by Polish exports It is not, however, the case in Poland, as it is in Germany, that imports from a particular country must be compensated by exports to that and no other country The Polish officials are satisfied if an importer can show that he is compensating an import consignment by an export order irrespective of country of origin and destination It is understood that French colonial rice is gaining ground in the Polish markets at the expense of Indian rice, by reason of barter transactions between Poland and France under which Poland buys rice coming from Saigon in return for exports to France of agricultural produce and coal Indian rice interests should therefore keep a watchful eye on the Polish market to see that future developments do not further prejudice the entry of Indian rice into Poland which has in the past always bought appreciable quantities of Indian rice for mill

country and eventual internal consumption. Holland, which is also an important buyer of Indian rice, made a drastic reduction in her purchases of Indian rice during 1934-35, her takings being only a fifth of what she bought in 1933-34. This is a serious decline. One of the reasons for the decline is that much of the Indian rice which came to Holland was milled in the Dutch mills and then exported to Germany. This trade has now come to a standstill owing to the difficulties which Holland experiences in trading with Germany. Holland is also milling larger quantities of Italian unpolished rice now than she did previously. There are no official impediments to the entry of rice for human consumption into Holland by way of import quotas and licences or monopoly control and Indian rice exporters should keep a watch on the Dutch market. Belgian imports of Indian rice also declined sharply in the year under review by as much as 53% compared with 1933-34. As the quantities involved are large this decline is also serious. France is a relatively unimportant buyer of Indian rice. Her supplies of unpolished rice are drawn (Riz en paille) from Italy, Spain, Dutch Indies and Egypt, while her broken rice comes mostly from Indo-China, and her polished rice from Indo-China and the U.S.A.

We must now turn our attention to Germany, which has been in the past, and still is, India's best customer in Europe for rice, not excluding even the U.K. Taking polished rice first, it will be seen from Appendix AI that imports of Indian rice in 1934 were only 23,409 tons as compared with 45,949 tons and 42,155 tons in 1933 and 1932. This decline is large, but it may be noted that all India's competitors, with the exception of French Indo-China, have suffered equally badly, and the total German imports of polished rice in 1934 are down by 44% as compared with the previous year. This decline in the German imports of polished rice is the result of the import and Devisen control system being utilised for the furtherance of the unemployment and domestic industrial policy. As far as possible, rice, which is ready for table consumption and does not require any further processing by the German mills, is severely controlled on the ground that its import neither benefits the labour market nor gives work to the milling industry. Siam, Italy and the U.S.A. were all worse off in 1934 by comparison with 1933, American imports faring the worst. In the case of Italy, it is part of the agreed policy, as between Italy and Germany, that Italian rice exports to Germany should gradually switch over from the polished to the unpolished variety. This was one of the main principles of the Rice Agreement of 1933 between the two countries. The case of Indo-China is exceptional in view of the fact that having a normal unfavourable balance of trade as against Germany, France, including French Colonies, could fix up a clearing agreement with Germany

to cover her normal export trade to Germany In fact we see even a slight increase of polished Saigon rice on the German market in 1934 There is a further fact worth mentioning in *connection with polished rice imports into Germany in 1934* At the end of September, 1934, the total German imports stood at 51,690 tons and imports from India at 20,781 tons But in the last quarter of 1934 (October-December) total imports were only 12,778 tons and imports from India a mere 2 628 tons Apart from any question of seasonal fluctuations it is not improbable that the "New Plan which came into force at the end of September, had a good deal to do with this abrupt slowing down in the imports of polished rice into Germany During the first quarter of 1935 the picture is much the same Total imports were down to 9 944 tons as compared with 12,637 tons and 27,944 tons in the corresponding quarters of 1934 and 1933 Imports from India amounted to 2 566 tons as compared with 3,656 tons and 8,472 tons in 1934 and 1933 Siam, Italy and the U S A were in much the same position Indo China alone was able *to record* an improvement over previous years

Turning to German imports of unpolished rice during the year under review it will be seen that there has been an increase in the total imports in 1934 as compared with the *previous* year India has more or less maintained her position in unpolished rice vis a vis 1933, though the level of the last *two* years is far below the normal quantities which Germany used to take in the pre-depression years Siam has more than doubled her sales of unpolished rice owing to large scale compensation transactions between her and Germany Italy with her Rice Agreement of 1933 and her clearing agreement of 1934 has succeeded *in raising* her exports to Germany from 4,699 tons in 1933 to 24 158 tons in 1934 Viewed in the light of Siamese and Italian *progress* in the German market, the fact that India has just managed to retain her previous year's position cannot be regarded with equanimity Future prospects for Indian unpolished rice in Germany are as a matter of fact not at all bright when the import figures of the first quarter of 1935 are considered Total *imports* have gone up slightly as compared with the previous year, but for the first time in the history of the unpolished rice trade to Germany, India *occupied* second place whereas in former times and up to very recently her position in Germany was nearly monopolistic From January to March, 1935, India's share was 17,038 tons as compared with 2[illegible],903 tons in the corresponding quarter of 1934 while Italy's share was 18 925 tons as compared with 6,087 in 1934 It is undoubtedly the case that Italy's progress towards first place in the German unpolished rice trade has been largely due *to the fact* that her *normal trade position* enabled her to fix up a clearing agreement [illegible] Her

rice agreement of 1933 has also helped her. Under the "New Plan" nearly all the rice business transacted between India and Germany, whether polished or unpolished, has been on the compensation basis, and practically no import licences have been issued since October, 1934, for the purchase of Indian rice on the ordinary cash basis. Compensation trade has therefore kept alive to some extent the supply of Indian rice in the German market, but India no longer occupies the dominating position in the German rice trade that she did up to two or three years ago. The Indian rice bran trade to Germany is now more or less dead. It used to be a valuable one, especially for Burma. The monopoly restrictions as well as the Devisen control have between them killed it. In 1934 German imports of rice bran from India amounted to 3,749 tons only as compared with 10,824 tons and 57,553 tons in 1933 and 1932. In the first quarter of 1935 there were no imports at all of rice bran from India. German agricultural policy aims at the complete substitution of foreign feeding-stuffs by home-grown fodder. This policy has been successfully pursued and has come to stay. Hence a possible future revival of the rice bran trade from India to Germany is not to be expected.

The following rice enquiries from among those received during the period under review may be mentioned:—A firm in Prague, asked for names of rice exporters in India and Burma. The names of suitable and interested parties were obtained from India and forwarded to the Prague firm. A firm in Oslo was introduced to exporters of rice in Calcutta and Rangoon with a view to sole agency terms for Norway. The same firm applied to us subsequently for help in regard to other food commodities. A firm in Rangoon was introduced to importers in Stockholm and Copenhagen. Another Oslo firm was put in touch with rice exporters in India. A French semi-official association called the Comité d'Encouragement aux Recherches Scientifiques Coloniales expressed the desire to obtain a list of rice-growing research stations in India and Burma. The enquiry was forwarded to India and full details were obtained from the Imperial Council of Agricultural Research and transmitted to the Paris Association. A firm in Copenhagen was introduced to rice exporters in India with a view to agency terms for Denmark. A Rangoon firm was put in touch with importers in Antwerp, Copenhagen, Rotterdam, Göteborg and Zürich. Another Calcutta firm was introduced to agents in Vienna, Prague, Warsaw and Stockholm. A number of enquiries were received from German importers and Indian exporters for rice business in Germany. The German firms wanted business on a barter basis. The Indian enquirers were informed that business with Germany was impossible except on the compensation system and were asked to let the D.G.C.I.

know if they cared to do business on these lines, as that depart ment had a list of firms in Germany who were willing to do business on the barter basis The German firms' names were passed on to the D G C I, for record in his office, to be utilised when Indian firms applied to him for business with Germany on the barter system

Tea and Coffee

The year under review was the second year of existence of the international tea regulation scheme In a report published in August, 1934, on the working of the restriction scheme in the first year (1933-34), the International Tea Committee states that the three countries participating in the scheme, India, Ceylon and the Netherlands East Indies actually exported less tea than they were entitled to do under the scheme For the second year of the scheme (1934 35) the Committee recommended an export quota of 87½ per cent of the standard export of 807,714,396 lbs In the first year the export quota fixed was 85% of the standard export For the third year the Committee have recommended to the Governments concerned an export quota of 82½%

Apart from the U K, France and Germany are the two main tea drinking countries in Europe Soviet Russia is an uncertain factor in the European demand for tea The following table shows the trend of tea imports into France for the last few years —

In metric quintals (1 quintal=100 kilograms)

	1929	1930	1931	1932	1933	1934
India	4 370	3 802	5 615	4 029	2 945	1 368
United Kingdom	4 968	5,249	4 215	2 144	2 025	*
China	2 554	2 416	2 927	2 882	3 377	2 703
Indo-China	3 056	2 640	2 328	2 321	nil	2703
Other Countries (i e Dutch Indies)	899	762	1 047	2 205	8 630	4 851
Total ..	15 847	14 869	16 132	14 905	16 277	11 001

* Not ascertained

It will be seen from these figures that 1933 was evidently the peak year There is a big drop in imports in 1934 Imports from India are almost half So also are imports from the Dutch Indies, while imports from China also record a substantial decrease The French Colonies are the only source that has maintained, and even improved, its position on the French market in 1934 It will also be noticed that the figures reveal a fairly constant demand for China tea in France, whereas teas from other sources suffer considerable fluctuations The milder and more delicate flavour of China tea seems to appeal to the taste of the French tea-drinking public The decreases recorded in 1934 in teas from other countries (i e , India and the Dutch Indies) are

probably the result of the tea restriction scheme which was in force for over a year at the beginning of the review year. Indian tea requires propaganda in France to popularise it in a coffee-drinking country, but the propaganda must emphasise Indian tea as Indian tea and not as tea only. It is hoped that this office will participate at the Foire de Paris in May, 1936, when a special effort will be made to bring Indian tea to the notice of French tea-drinkers by suitable methods of propaganda. This office will be grateful for the co-operation of Indian tea interests in the special effort.

Coming to Germany the other large tea-drinking country on the Continent, it will be seen from the appendices that though the total imports of tea have gone up in 1934 as compared with the previous years, the share of India has gone down to 9,604 dz. as compared with 11,111 dz. and 12,604 dz. in 1933 and 1932. For the quarter January-March, 1935, imports of Indian tea were 1,928 dz. as compared with 2,504 dz. and 2,676 dz. in 1934 and 1933. The International Tea Regulation scheme does not in any way account for the gradual decline of Indian tea imports into Germany ever since 1930. One of the main causes has probably been the fact that Indian tea is generally higher in price than tea from the Dutch East Indies. Insufficient publicity and propaganda may have been another reason and this office therefore obtained the sanction of the Government of India to participate at food and cookery and grocery exhibitions in Germany during the year under review, with the object of advertising (besides other Indian commodities) Indian tea. An attractive stall was taken at the Berlin Grocers' Exhibition (one of the largest of its kind in Germany), in September, 1934. Indian tea was prepared and served out in cups with milk and sugar to enquirers and the general public visiting the Exhibition. Full details of this participation will be found in Chapter V of the Report. Very satisfactory results were obtained from taking part in the Exhibition, and Indian tea was introduced to scores of wholesale and retail grocers in Berlin and its surroundings. In October, 1934, this office took a stall and participated at the International Cookery Exhibition at Frankfurt-am-Main. Here, too, Indian tea was widely advertised and served ready for drinking to the visiting public. The Indian Stall obtained a medal of excellence from the Exhibition authorities for its attractive get-up and popularity. Valuable connections were made among the wholesalers and retailers in South Germany on behalf of Indian tea. Details of this Exhibition will be found at Chapter V. In the year 1935-36 it is proposed to take part in four food, cookery and grocery exhibitions in Germany, and the advertisement of Indian tea will form a prominent feature of our publicity campaign. The

great thing to remember when selling Indian tea to the German market is that the customs duty is RM 3 50 per kilogram for all varieties of tea Therefore if it is desired to popularise tea among the masses in Germany in the same way as in England, attention must be concentrated on the lower priced varieties of Indian tea so that the price plus the customs duty per pound may not be too high for the average middle class and working class housewife The following table reveals the trend of the imports into Germany during the last few years —

In Doppelzentners (1 Dz =100 kilograms)

	Total Imports	Java Sumatra	India	Ceylon	China
1913	42 003	7,394	5 910	4 556	22 889
1927	53 771	36 190	5 805	4 388	7 083
1928	43 884	16 177	10 460	8 111	10 623
1929	57 710	21 077	15 110	11 278	8 973
1930	60 417	23 034	17 947	11 676	6 893
1931	52 943	20 601	15 532	10 567	6 782
1932	47 976	21,386	12 604	9 396	3 860
1933	46 907	22 450	11 111	9 378	3 545
1934	48 3[illegible]8	25 157	9 604	9 558	3 559

It will be seen from these figures that Dutch tea has, in 1934, increased its sales in Germany while Ceylon and China teas have held their own vis a vis the previous year Indian tea alone has to record a decrease of 1,507 dz in 1934, as compared with 1933 The Dutch Indies have been assisted to some extent by the clearing agreement between Germany and Holland, which includes the Dutch Colonies China tea has a peculiar position of its own in the trade and devotees of China tea will not switch over easily to tea from other countries In 1934 imports of Java tea into Germany were larger than imports from all other countries combined Price and payment facilities have been responsible for this result

The following tea enquiries may be mentioned here —A firm in Prague asked for names of tea exporters, enquiries were made in India and the names of interested parties were forwarded to the Prague firm A firm in Zürich was put in touch with exporting houses in Calcutta and South India A Berlin firm was put in touch with London houses of tea exporting firms in India An exporter in South India was introduced to agents in Hamburg, Warsaw, Brussels and Copenhagen A firm in Calcutta was put in touch with agents in Zurich and Vienna A firm in Oslo

was introduced to exporters in Calcutta and South India. A [illegible] was introduced to exporters in Calcutta with a view to [illegible] business. A number of enquiries were received from firms wanting to do business on a compensation basis. These were forwarded to the D.G.C.I. for action in his office.

Imports of Indian coffee into the countries of northern Europe have been unsatisfactory during the year under review as compared with 1933-34. Most of the countries reduced their purchases very considerably, with the exception of Norway, which maintained her imports at the same level as in the previous year. Holland made a drastic cut in her purchases, buying only one-eighth of the quantity she bought in 1933-34. Belgium also reduced her previous year's taking by as much as [illegible] %. The imports of Indian coffee into France, which is India's best customer in Europe, are set out in the following table:—

Imports in quintals (1 quintal = 100 kilograms).

	1931	1932	1933.	1934.
India	41,00[illegible]	30,929	29,065	30,182
Brazil	1,224,553	971,695	1,067,619	727,535
Haiti	125,624	126,493	245,413	214,589
Dutch Indies	124,370	200,205	161,380	215,237
Venezuela	97,955	118,848	56,300	62,318
Total	1,[illegible]	1,[illegible]	1,779,222	1,761,097

It will be seen from these figures that India has fortunately been able to retain her position in the French market for the past three years. Imports from Brazil, France's biggest supplier, have diminished considerably in 1934 as compared with 1933 and previous years. Coffee continues to remain under the French import quota system. The figures of imports given above show that the quotas allotted to India cause no hardship. In regard to Germany, imports of Indian coffee decreased from 8,418 dz. in 1933 to 7,351 dz. in the year under review. Brazil, Germany's biggest supplier, was able to increase her sales to Germany thanks partly to her clearing arrangements. Indian coffee is not and cannot be sold on the Continent in a pure form as Indian coffee. It is used for blending with other varieties of coffee, mostly South American, to impart flavour to the latter. Intensive propaganda therefore for Indian coffee, unlike the case of Indian tea, would bring no substantial benefits and cannot therefore be recommended. Moreover the tastes of various coffee-drinking countries differ from each other very considerably. What a French coffee-drinker would consider good coffee would not be equally favoured in Germany or Sweden. Hence blends vary in various countries, and blending is the determining factor in the amounts of Indian coffee required in the different countries for blending purposes.

The following coffee enquiries may be mentioned —A wholesale co-operative society in Czechoslovakia, with several branches, asked for names of Indian coffee exporters, enquiries were put through and the names of suitable exporting houses were transmitted to this society in Prague A firm in Oslo was put in touch with exporters in India with a view to taking over sole agency work for Norway and Sweden A firm in Stockholm was introduced to coffee exporters in South India A firm in Havre wanted to be introduced to exporters in India who wanted sole agents for France Enquiries were made and the names of interested parties forwarded to the French firm A firm in Paris was introduced to exporters in Madras and South India A well known grocery firm in Hanover wrote for information *re* the best type of *Indian coffee* to be blended with Costa Rica coffee Enquiries were made in the trade and the names of suitable Indian types forwarded to the firm together wi
in London and Hamburg and expo
was *introduced* to exporters in So
grocers in Vienna, with branches in other *towns*, was put in touch with exporters of Mysore and Nilgiri coffee A firm in Copenhagen was introduced to exporters in South *India* with a view to sole agency work for Denmark

Hides and Skins

The Indian raw hides trade to northern European countries is in the happy position of being able to record a substantial improvement during the year under review as compared with previous years Sweden increased her purchases of Indian cow hides by 26% Norway *by 41%* and Holland by as much as 57% The French statistics have never shown any imports of raw hides of Indian origin Coming to Germany the following two tables of imports into that country are for purposes of ready reference quoted from Appendix AI —

Cow Hides (dry)	(In metric tons)		
	1932	1933	1934
India	2 957	4 613	5 120
Brazil	3 441	4 277	3 809
Argentine	3 909	4 172	3 651
Total	18,297	23 159	21 407

Cow Hides (wet)	(In Metric tons)		
India	83	56	39
Argentine	33 094	28 591	30 475
Uruguay	6 007	6 886	8 935
Brazil	6 916	7 059	9 576
Total	[illegible]	81 574	92 309

improved her position in 1934. Prepared goatskins from India are, however, able to record a substantial increase in 1934 as compared with previous years. It is presumed that the greater portion of this trade is done via the U.K., though the U.K. figures themselves show an enormous decline. Prepared sheep- and lamb-skins from India also had a prosperous year in 1934 as compared with previous years. The increases in sheepskins from Belgium and Holland are phenomenally heavy and were, no doubt, helped a great deal by the clearing agreements. During the first quarter of 1935, prepared goat- and sheep-skins from India continued to maintain their progress in spite of the "New Plan." With the introduction of universal conscription (military, naval and air) and the expansion in German armaments, the demand for hides and skins, raw and prepared, may be expected in the future to increase rapidly. In addition to the regular forces of the country, there are the political forces, such as the S.A. and S.S. groups, and also the youth organisations, all of which wear uniforms of various kinds. The internal industrial revival both in Germany and other European countries should also suffice to maintain the demand for hides and skins from the producing countries. The outlook for the hides and skins trade would appear to be good by comparison with the lean years that have just passed.

The following enquiries for hides and skins may be referred to here:—A Madras firm which had sent some parcels of reptile skins to an agent in Belgium on a consignment basis, got into difficulties in the matter of recovering their money from the Belgian firm. This office was able to render some help in bringing the matter to a satisfactory conclusion. A firm in Prague was introduced to exporters of sheep and reptile skins. An Indian firm in London was supplied with full and detailed information as to how to do business with Germany on a barter basis by means of the "special foreigner's account" system. A firm in Finland was put in touch with London houses representing Indian shippers of hides and skins. A firm in Rotterdam was introduced to a Calcutta hide shipper. A firm in Brussels was put in touch with an Indian shipper of bark-tanned lizard skins. An Amritsar firm was introduced to German firms with a view to compensation business. A firm in Stockholm was introduced to London agents of Indian shippers of tanned goat and kid skins. Two Paris firms and one Vienna firm were put in touch with shippers of reptile and lizard skins.

OILSEEDS.

The export trade in Indian oilseeds to Northern European countries was very bad during the year under review. A sharp decline occurred in the import statistics of most countries for almost all

varieties of Indian oilseeds Belgium did not enter the market at all for Indian castor seed during 1934-35 Her purchases of Indian groundnuts were reduced by exactly a half as compared with the previous year, while her imports of linseed from India declined by nearly a fifteenth of her 1933 34 imports Her imports of Indian rapeseed were also reduced to a half of what they were in the previous year Holland reduced her takings of Indian groundnuts by as much as 37% as compared with the previous year, while her imports of Indian linseed were only a sixth of what they were in 1933-34, and her purchases of Indian rapeseed were less than a half of what she bought in the previous year In regard to France an important customer of India in oilseeds, the following table gives the imports of castor seed into France

(In metric tons)

	1931	1932	1933	1934
India	20 049	14 068	14 361	12 601
Total	23 041	18 359	20 417	19 105

From these figures it will be seen that India no longer holds the dominating position in this trade of three or four years back The French statistics show that imports from the French colonies viz, Madagascar and French West Africa are rapidly increasing, in 1934 Madagascar's share was as much as 3 750 tons

French imports of rapeseed show the following trend —

(In metric tons)

	1931	1932	1933	1934
India	5 956	6 733	10 251	8 627
Roumania	3 749	2 751	3 534	3 151
Total	10 745	10 343	15 841	13 876

Apparently in 1933 an exceptionally heavy importation of Indian rapeseed took place The 1934 imports, though below those of 1933, are, nevertheless higher than the 1931 and 1932 imports The average pre depression importation of Indian rapeseed into France used to be near about 10 000 tons

Imports into France of Indian and other linseed may be seen from the following table —

(In metric tons)

	1931	1932	1933	1934
India	46 690	32 231	46 232	21 791
Argentine	185 369	183 412	204 935	205 479
Total	263 658	235 972	264,266	237 769

The figures show a very large decrease in imports of Indian linseed in 1934 which were less than half the imports of the

previous year. The import quota system was not responsible for this decrease in 1934, as that system had already been in force in 1933, the figures for which year are relatively good. Indian linseed shipments to most European countries were lower in 1934, and the probable explanation of the position may be that the Indian exporters of linseed preferred to send the bulk of their exports to the U.K. market where they could obtain relatively better prices on account of the preference there. The normal French demand in the pre-depression years for Indian linseed used to be about 85,000 tons.

France is probably the biggest European buyer of Indian groundnuts and the development of the French import position is therefore worth watching. Her purchases from India consist mostly of decorticated nuts, but she also imports the undecorticated from India. The following table gives the import figures of French imports of undecorticated groundnuts:—

(In metric tons).

	1931.	1932.	1933.	1934.
India	3,351	1,537	728	21
French West Africa	296,779	169,990	290,791	475,392
British West Africa	47,000	44,879	36,263	—
China	—	—	—	6,675
Total	357,289	224,040	332,686	482,089

It will be seen that undecorticated nuts from India are no longer coming to France. The average amount exported to France before the depression was between three and four thousand tons per annum. In 1934 it has sunk to 21 tons. Imports from British West Africa have also come to a stop. On the other hand France is concentrating on her colonies for the supply of undecorticated nuts, imports from that source doubling themselves during the last four years. China's sudden incursion into this market in 1934 is worthy of record as a curious phenomenon. France's imports of undecorticated nuts just about balance with her imports of the decorticated variety. The following table brings out the trend in the decorticated trade to France:—

(In metric tons).

	1931.	1932.	1933.	1934.
India	246,245	269.539	306,997	152,506
British West Africa	63.166	117,498	116.481	96,185
French West Africa	—	—	—	38,420
Total	344,577	453,220	456,377	300,040

The following observations may be made in regard to these statistics (1) In 1933 France's decorticated imports were larger than her undecorticated imports In 1934 the position is reversed and she bought more undecorticated nuts than she did decorticated, mostly from her West African possessions (2) Both in regard to groundnuts and also other oilseeds there has been a switching over from foreign sources of supply to colonial sources which has perhaps been brought about partly by the imposition of taxation for the first time on imports of foreign oilseeds in August, 1933 The effects of this taxation were probably first seriously effective in 1934 Colonial produce and manufacturers are, of course, exempt from French customs duties, and oilseeds from the French colonies were therefore able to enjoy, from August, 1933, a considerable advantage in the French market over foreign oilseeds by reason of this privilege of free entry The 1934 statistics reveal that there were hardly any imports worth mentioning of undecorticated groundnuts from non-French sources, while imports of foreign decorticated nuts fell very sharply in that year In September, 1934, the existing taxes on oilseeds and oilfruits (details of which will be found in my previous Report at page 13) were increased all round by 4% This increase probably resulted in widening the price gap between foreign and colonial oilseeds in France, to the detriment of the former It may here be mentioned that subsequent to the close of the year under review there has been a further substantial increase in the customs duties on oilseeds and oilfruits, effected by a decree which came into force on May 27th, 1935 The French oilseeds position should be carefully watched by India in the coming months, as she cannot afford to lose her most valuable market in Europe (3) The import quota system in France continued to be applied to groundnuts and other oilseeds throughout the year under review There were no fixed quotas for groundnuts, imports being regulated by permits which were issued according to the requirements of the French industries The quotas for linseed did not per se cause any damage to imports of Indian linseed, the causes for their reduction, as has been previously remarked, having no connection with quotas

We now come to Germany, which is also a very important buyer of Indian oilseeds, it may be observed that the monopoly control system continued to be applied to the importation of foreign oilseeds throughout the year under review The monopoly taxes were (in addition to ordinary customs duties) as follows —

Oilfruits and Oilseeds imported from abroad.	Reishmarks per metric ton.
(a) For the production of oil and for sowing	1
b) For bird feed...	1
(Note: Power was taken to raise the tax to a maximum of RM 75 per metric ton).	
(c) For other purposes	75

From Jan. 1, 1935, the tax under (b) was altered to RM 37·50 per metric ton and poultry feed was included therein.

It will be seen from the appendices that imports of Indian rapeseed decreased in 1934 to 12,381 tons from 15,792 tons in the previous year, though they were higher than the 1932 imports. The shares of other countries were also reduced, especially Poland's share. At the end of September, 1934, rapeseed imports from India stood at 11,943 tons; so it will be seen that the "New Plan" was directly responsible for the slowing down of imports in the last quarter of 1934. Seasonal variation played no role in this matter, as in the previous year (1933) rape seed imports from India stood at 10,671 tons in September and 15,792 tons in December. The imports for the first quarter of 1935 show clearly the devastating effects of the "New Plan." In 1935 imports were a mere 368 tons as compared with 4,445 tons and 3,984 tons in the corresponding quarters of 1934 and 1933. In regard to imports of linseed into Germany the following tables show their trend during the year under review:—

(In metric tons).

	1932.	1933.	1934.
India	8,965	15,356	10,364
Argentine	425,615	333,529	302,893

	Jan.-March, 1933.	Jan.-March, 1934.	Jan.-March, 1935.
India	2,790	3,644	452
Argentine	115,956	101,079	44,904

These figures show that imports of Indian linseed in 1934 were down by 34% as compared with 1933. The import figure of 6,956 tons from India at the end of September, 1934, do not reveal any great damage done to Indian linseed by the "New Plan" in 1934; but in the first quarter of 1935 it appears to have very much hindered the entry of Indian linseed into the German market. It appears to have had very much the same effect on Argentine linseed in spite of the clearing agreement concluded between that country and Germany.

Germany is a large purchaser of Indian groundnuts. The following table shows her imports of undecorticated nuts for the past three years:—

(In metric tons)

	1932	1933	1934
India	2 887	10 875	6 454
China	11 866	14 436	14 416
British West Africa	2 022	6 223	44 951
Total	24 877	51 036	76 289

It will be seen that though total imports are up, India's share has gone down in 1934 compared with 1933 China has maintained her position, while imports of undecorticated nuts from British Africa have leapt into a prominent position accounting for more than half of the total imports For the first quarter of 1935, imports from India sank to only 101 tons compared with 857 tons and 5,280 tons in 1934 and 1933 China was able to sell 1,211 tons during this quarter probably as a result of barter business with Germany, while there were no imports at all from British Africa India has in the past always occupied, and even to-day occupies, a predominating position in the decorticated groundnut trade in Germany The following are the figures in regard to imports of decorticated nuts into Germany —

(In metric tons)

	1932	1933	1934
India	152 300	211 480	238 685
China	38 702	23 677	42 339
British West Africa	13 491	17 688	29 787
Total	217 736	263 716	318,551

	Jan March 1933	Jan March 1934	Jan March 1935
India	57 918	58 090	27 905
British West Africa	9 619	21 603	314
China	4 872	5 902	1 59[illegible]
Portuguese East Africa	208	2 260	3 911
Total	74 810	88 898	33 969

It will be seen from these statistics that India was able to improve on her imports of 1933 and though in the first quarter of 1935 her share in the trade was more than halved as compared with the corresponding quarters of 1934 and 1935, the total imports are also down by more than 50% As regards the 1934 figures the imports of Indian nuts at the end of September stood at 206 653 tons, so that in the last three months of that year, when the "New Plan" became effective imports increased only by 32,032 tons as compared with an increase of 74,585 tons in the corresponding quarter of 1933 The entry of all foreign oilseeds into Germany is now regulated both by the "New Plan" and the monopoly control Imports are strictly governed by industrial requirements no more than is absolutely essential is allowed to come in It is understood that during the later portion of the year review and in subsequent months the larger [illegible] of the importation of oilseeds into Germany has with

the control authorities, passed into the hands of a big international combine, only a small part being left open for the smaller traders.

The following enquiries for oilseeds may be mentioned here:— A firm in Bombay was put in touch with importers in Antwerp, Rotterham and Copenhagen. A firm in Antwerp wrote and asked for the sole agency of exporters of groundnuts, linseed and rape seed. Enquiries were made in India and the names of interested parties forwarded to Antwerp. A firm in Prague was introduced to exporters of groundnuts and linseed. A firm in South India was put in touch with agents in Oslo, Stockholm and Copenhagen. A Bombay firm was introduced to agents in Rotterdam for sole agency business. A firm in Warsaw was put in touch with exporters of groundnuts and cotton seed. A Paris firm was introduced to exporters of groundnuts with a view to sole agency business for Northern France. A number of Indian firms who had applied to do business with Germany were informed that business could only be transacted on a compensation basis, and that they had better apply in the first instance to the D.G.C.I., who had the names of German firms also desirous of doing barter business with India.

OILCAKES.

The Indian oilcakes trade to countries in northern Europe has had a chequered career during the year under review, the black patches predominating over the white ones. Belgium increased her takings of Indian coconut cakes in 1934-35 by 14% as compared with the previous year, while her imports of Indian groundnut cakes more than doubled themselves. Her purchases, however, of linseed cake from India went down by 25% in 1934-35 as compared with the previous year. Holland, which is an important customer of India in the matter of oilcakes, proved disappointing in her purchases during 1934-35. She reduced her takings of Indian groundnuts cake to a bare quarter of her previous year's imports, while her purchases of linseed cake from India sank to only a third of the quantity she took in 1933-34. The Dutch monopoly control and import quota systems, which have been applied since the end of 1933 to the importation of foreign cattle-cake, have been responsible for the serious diminution in the imports of oilcakes from India. There is a monopoly tax of 1½ Dutch florins levied on every 100 kilograms of oilcakes. In addition a flat import quota was imposed on imports of cattle-cake during the first part of the year 1934. This quota was 75% of the average imports of the basic years 1931-33. Subsequently, in August, 1934, definite quotas were allotted to various oilcakes from India. For a period of one year, commencing August 1st, 1934,

the following import quotas were imposed by the Dutch authorities on Indian oilcakes:—

Linseed cake	5,490 tons
Groundnut cake	12,191 tons
Coconut cake	65 tons
Other Cattle cake	27 tons

The linseed cake quota represents the average quantity usually imported into Holland in recent years and will cause no great hardship, but the groundnut cake quota is roughly one-half of Holland's average annual imports for the last few years, and its imposition will therefore react unfavourably on imports from India, as is proved by the statistics quoted above

The following table shows the trend of imports of oilcakes (not separately specified in the statistics) into France, which however, is not a large purchaser of Indian cakes —

(In metric tons)

	1931.	1932	1933	1934.
India	344	493	984	59
Roumania	14 697	10 348	13,391	6 065
Belguim and Luxemburg	41 562	53 933	58 697	23 489
Total	77 478	106 528	109 797	52 707

From these figures it will be seen that France reduced her total oilcake imports by more than half in 1934 as compared with the previous year, India's share coming down from 984 tons to the insignificant amount of 59 tons in 1934 Belgium appears to supply France with more than half her imported cake requirements The French cattle-cake market is kept well supplied by the local oil-mill industry, which is also in a position to export fair quantities of crushed oil-cakes to other countries The French customs duties on oilcakes were not raised during the year under review, but the import quota system continued to be applied to all imports of oilcakes The average quarterly quota has been 100,000 quintals during the year under review for oilcakes from oleaginous grain and 4,000 quintals for maize cake containing more than 50% of starch This would work out roughly to 41,600 tons per annum, which is much less than even the low imports of 1934 There is a special licence tax on imports of oilcakes in France, which is graduated according to the oil-content of the imported cake this tax varies from 5 francs per 100 kilograms to as much as 30 francs

Coming to Germany, which was formerly India's largest buyer of oilcakes the import position has steadily deteriorated owing to a variety of causes, chief among them being the Monopoly control

system and the "New Plan." The internal agricultural policy of the German Government has also tended to shut out feeding stuffs of foreign origin more and more in favour of home-grown feeding crops, which are in abundance in Germany, because other countries also have put up their own barriers, in order to protect their agricultural population. Surplus grain crops are thus utilised for feeding purposes, and are taking the place of imported feeding cakes and other materials. The monopoly taxes levied on imported cakes during the year under review were as follows:-

	Reichsmarks per metric ton.
Linseed cake	28
Groundnut cake	31
Soya extract crushings	33
Beechnut and oilnut cake	4
Other sorts	29

During 1934 Germany imported no cotton seed cake from India. The greater portion of her supplies came from Soviet Russia under the Russo-German Commercial Agreement. The following table shows Germany's imports of groundnut cake:—

(In metric tons).

	1932.	1933.	1934.
India	78,466	57,887	112
France	66,783	41,789	3,703
Argentine	15,815	9,587	721
Denmark	3,351	2,677	3,936
Total	189,416	128,209	13,178

The decline in total imports revealed by these figures is a very sharp one. The fact that France and Argentine obtained no aid from their clearing agreements with Germany shows clearly that the monopoly control was utilised for the furtherance of German agricultural policy and the protection of the German farmer. In the first quarter of 1935 Germany bought groundnut cakes from Switzerland, Italy and France, but none at all from India. All these three countries sold their cakes by means of the agreements which they had been in a position to make with Germany. During this quarter Germany suddenly imported 21,500 tons of cotton-seed cake from the U.S.A., probably the result of a big barter transaction. In regard to linseed cake, there were no imports from India into Germany as compared with 1,581 tons and 4,389 tons in 1933 and 1932. Total imports also decreased from 85,536 tons in 1933, to 19,959 tons in 1934. Soviet Russia supplies most of Germany's linseed cake requirements. It is to be feared that India's valuable oilcake trade to Germany has now more or less disappeared, and

there appears to be no chance of its recovery in the near future, as long as the present abnormal trading policy is continued

The following enquiries regarding oilcakes may be mentioned Two Bombay firms which usually export large quantities of oilcakes (groundnut and linseed) to Holland requested this office, both direct and through their European agents, to approach the Dutch Government with a view to overcoming the difficulties which the firms in question were finding in exporting their cakes to Holland by reason of the import quota restrictions imposed on imported oilcakes On our representations the Commercial Secretary of the British Legation at the Hague took the matter up with the competent department of the Dutch Government It was finally ascertained that certain concessions had already been granted to the Dutch agents in regard to importation, and that no further relaxation could be conceded in the administration of the import quotas This decision of the Dutch authorities was transmitted to the Bombay firms The same firms subsequently sought our aid in introducing them to German oilcake firms and they were referred to the D G C I , with a view to being put in touch with German firms desiring to do business on a barter basis A firm in Antwerp was put in touch with exporters in Bombay and South India with a view to agency terms for Belgium A firm in Oslo was introduced to exporters of groundnut cake in South India

LAC AND SHELLAC

There has been some reduction in the exports of Indian Lac to various countries in Northern Europe during the year under review Exports of button lac and shellac to France declined sharply in 1934-35 as compared with the previous year Belgian imports of seed lac were only a sixth of what they were in 1933-34, though her takings of shellac increased slightly in the review year Germany increased her imports of Indian gum lac in 1934 as compared with the two previous years, and her takings of shellac were also well maintained This was also continued into the first quarter of 1935 The break in the shellac speculation in London during the year under review took place as expected, but the reaction on shellac prices was to some extent mitigated by the timely action taken by the Shellac Board towards the end of the review year Full details about lac and shellac will be found in the reports of Mr A J Gibson the special Shellac Research Officer in London

The following enquiries from among those received during the year may be mentioned here A firm in Brussels was put in touch with exporters of gum lac in Calcutta A firm in Zürich was intro

duced to exporters of shellac; the firm again sought our help at a later date for exporters of essential oils. A firm in Warsaw was put in touch with exporters of gum lac and shellac. A firm in Oslo was introduced to exporters of shellac and seed lac. A big Hamburg shellac factory was helped in forming connections for compensation businesss with India so that they could obtain raw materials from India more easily. A firm in Prague was put in touch with exporters of shellac and gum lac. The Hamburg branch of a large American shellac firm was introduced to large exporters of gum lac and shellac. A firm in Calcutta was put in touch with importing firms in Belgium and Holland. A number of German firms addressed this office desiring to do barter business with India in regard to lac and shellac; their names were forwarded to Calcutta for necessary action.

WOOD AND TIMBER.

The building industry during the period under review made great strides in Germany under governmental support. Both new construction and repair work was actively carried on under the influence of financial backing from the authorities. Consequently there was a large demand for wood and timber of all varieties used in the industry. There was also fair activity in the furniture industry in the domestic market in Germany. All this was faithfully mirrored in the import statistics. In regard to teak, which is classified along with certain other varieties of wood under one and the same tariff heading, we see the following figures of imports:—

(In metric tons).

	1932	*1933*	*1934*
India	257	631	2,042
U.S.A.	—	102	628
Siam	114	161	306
Total	422	1,004	3,182

This satisfactory increase of imports was continued into the first quarter of 1935, when imports from India rose from 363 tons in 1934 to 476 tons in 1935.

The following enquiries may be mentioned here: A firm of brokers in Dantzig was supplied with information in regard to shipments of woods and timber from Kashmir via Karachi to Danzig. The Forest Research Officer in Bihar and Orissa was informed, in reply to an enquiry made by him, that the marketing of Indian laurel wood did not appear very favourable during the period under review, as a large number of enquiries made on his behalf did not elicit any satisfactory results from firms dealing in wood and timber. The Permanent International Committee for wood was supplied with certain statistics for the Indian wood and timber trade through the Timber Adviser to the High Commissioner, whose expert advice and assistance has been of great value

to this office in all enquiries relating to wood and timber Through the kindness of the Timber Adviser this office now possesses an attractive specimen collection of Indian woods which is on display in the reading room, and is also exhibited at trade fairs and exhibitions in which we participate A firm in Paris was put in touch with exporters of fancy Indian woods suitable for furniture *A furniture dealer in Prague was also introduced to exporters of* Indian rose wood and laurel wood

Metals and Minerals

Imports of manganese ore into France show the following trend —

(In metric tons)

	1931	1932	1933	1934
India	135 023	98 145	73 133	92,254
Soviet Russia	136 978	167,281	221 480	207 201
British Africa	31 070	5,210	87 359	115 847
Total	482 746	349 168	504 977	582 754

It will be seen that India s share in the French trade improved by 26% in 1934 as compared with the previous year Soviet manganese more or less held its own But imports from Africa have gone up considerably during the last two years and are well ahead of imports from India Belgium also doubled her purchases of Indian manganese in 1934 as compared with 1933 French imports of chromite ore were as follows —

(In metric tons)

1931	1932	1933	1934
12 772	13 398	19,369	22 566

The statistics do not show the countries of origin, but France imports her chromite from India Greece, Africa Turkey and New Caledonia Imports of Indian chromite into Norway also increased by 16% in 1934 as compared with 1933 French imports of mica may be seen from the following table —

(In metric tons)

1931	1932	1933	1934
473	179	130	631

Imports in 1934 show a very welcome increase

Coming to Germany, imports of manganese may be seen from the following table —

(In metric tons

	1932	1933	1934
India	5,056	30 043	12 [illegible]2[illegible]
Soviet Russia	85,338	85 9[illegible]6	1[illegible]1 93[illegible]
Dutch Indies	3,234	5 0[illegible]	4 [illegible]0
British South Africa	—	1 01[illegible]	19,231
Total	10[illegible]9	131 925	2[illegible]4[illegible]

Though total imports of manganese in Germany have gone up in 1934 as compared with 1933, India's share has declined by well over a half. Soviet supplies of manganese record a big increase in 1934, while African manganese is also well ahead of the Indian variety. The manganese figures for the first quarter of 1935 are also worth recording:—

(In metric tons).

	1933. Jan.-March,	1934. Jan.-March,	1935. Jan.-March,
India	10,297	1,540	3,557
Soviet Russia ...	20,680	39,134	27,928
British West Africa	—	1,598	3,929
British South Africa	—	—	5,682
Total	33,903	46,502	46,136

India's share in this period has gone up a good deal, while Russia's share has come down. African manganese continues to make rapid progress in the German market, imports from West and South Africa both exceeding Indian imports. Subsequent to the period under review, South Africa has arranged a clearing transaction with Germany in regard to manganese for the sum of £60,000. German imports of Indian pig iron in 1934 were higher than in 1933 by 7%. Imports of tin into Germany from India were slightly down as compared with 1933, but imports of Indian nickel were up by nearly 10%. There was a decline in imports of wolfram from India by nearly 30% as compared with 1933, though imports of Chinese wolfram were up by 31%. German imports of pig lead from India in 1934 were more than double those of 1933, and imports of mica increased from 388 tons in 1933 to 542 tons in 1934. Ores and base metals other than iron and steel came under the temporary prohibition of raw material which was in force in Germany during April and May, 1934. Control offices were established for them, and imports were controlled by these offices after the lifting of the import ban. Finally, in September, 1934, the "New Plan" took control of all metals and minerals.

The following mineral enquiries from among those received during the period under review, are selected for mention here: The Development Department of the Seraikella State in Bihar and Orissa enquired through the D.G.C.I. for names of Continental importers of Indian felspar. Analytical reports of the Seraikella variety were also forwarded. The State wanted to know what prices might be expected in European markets. Extensive enquiries were made in Germany, Holland, Switzerland, and other countries, and it was ascertained that felspar is produced in Germany, Sweden, Norway and Russia, and that felspar from the last three countries is the commonest in the European trade. It was also ascertained that the prices suggested by Seraikella were regarded

as far too high in comparison with European felspar prices However, a number of firms wanted to see samples of the Indian felspar, in view of the analytical reports, and this was arranged for. The names of interested importers were communicated to the Seraikella State. A London firm was supplied with the names of importers of Indian chrome ore and manganese ore in Germany, Belgium and France. The Minerals Adviser to the High Commissioner was supplied with the price of Beryllium in Germany The names of wolfram importers in Belgium, France, Holland, Austria and Germany were sent to the Minerals Adviser for transmission to a firm in Rangoon Information regarding importers of Kyanite were forwarded to India for the use of exporters A firm in Bombay was put in touch with parties in Germany and Czechoslovakia interested in the importation of ore containing cobalt and nickel. A firm in Hamburg was put in touch with exporters of Chrome ore and wolfram A firm in Paris was introduced to exporters of Indian manganese A firm in Antwerp was also put in touch with manganese exporters A Bombay firm was put in touch with importers in Belgium, Sweden and Switzerland of manganese and magnesite In dealing with mineral enquiries this office has been indebted to the valuable help and expert knowledge of the Minerals Adviser to the High Commissioner, through whose kindness we now possess a very attractive specimen collection of Indian minerals for display both in our office and at trade fairs and exhibitions

Chapter IV.—Price Movements in 1934-35.

Some reference has been made in Chapter II to the trend of wholesale prices during the year under review, it will be seen that during 1934-35 wholesale prices tended in the main to move on a higher level than they had done in the previous year, and that two of their principal characteristics were strength and stability, in comparison with previous years The following table of index numbers of wholesale prices brings these points out with greater emphasis, and it also makes possible a comparison with post-war years and the period preceding the depression. The price index numbers quoted below are prepared by the Commercial Editor of " The Times " :—

Year 1913 = 100.

Period.	Index Number.	Period.	Index Number.
1921 ...	... 162·1	1934	
1923 ...	... 169·1	May ...	... 99.1
1924 ...	... 179·3	June...	... 97·6
1925 ...	... 152·8	July ...	... 99·6
1926 ...	... 142·1	August	... 102·4
1928 ...	... 137·5	September	... 100·1
1929 ...	... 128·8	October	... 100·1
1930 ...	... 103·2	November	... 100·0
1931 ...	... 99·5	December	... 100·6
1932 ...	... 94·3	1935	
1933 ...	... 98·2	January	... 101·4
1934		February	... 100·8
January	... 101·5	March	... 99·4
April...	... 98·9	April	... 101·0

It will be seen from these index numbers that in the post-war period 1924 was the peak year for wholesale prices. Since then they have gradually and continuously fallen till 1933, when the decline was arrested and the direction of the movement reversed. It was observed in my Report for 1933-34 that the causes of this sharp decline lay in (1) the deflationary policy pursued by governmental and central bank authorities, and (2) the outstripping of consumption by production, due chiefly to abnormal expansion in both agricultural and industrial production by improved and intensive methods, as a result of which world stocks of primary commodities, with an inelastic demand, piled up heavily. Both these causes gradually became less effective from the latter half of 1932, and in 1933 we have seen that a slow but sure improvement in prices began to take place. The year under review commenced with the price level nearly one point higher than in 1933. It will be observed that wholesale prices rose gradually till August, when the index number was 3.5 points higher than in April. But at this point a reaction set in and prices receded again till the end of the year, when the index number stood at 100.6, 1.7 points higher than at the commencement of the review year. There was some improvement in the early part of 1935, and at the end of March and beginning of April the index number rose to 101, i.e., 2.1 points higher than in April, 1934. This progress is satisfactory, because the tendency throughout the year has been buoyant and, on the whole, in an upward direction.

The following table, compiled from the statistics published by the Institut für Konjuncturforschung, in Berlin, brings under one and the same index base the wholesale price index numbers in some of the Northern European countries, and enables a comparison to be made between the tendencies of internal prices within the

various countries The inclusion of the U K in this table allows the Continental index numbers to be compared with the British numbers —

YEAR 1928 — 100

	Germany	Belgium	Denmark	France	U K
1928	140 0	121 5	153·0	131·0	140 3
1930	89 0	89 2	85 0	85 9	85 2
1931	79 2	74 2	74 5	77 8	74 3
1932	68 9	63 5	76 5	66 3	72 4
1933 ..	66 7	59 5	81 7	61 8	73·0
1934					
April	68 4	56 2	83 7	60 0	74 7
May	68 7	55·7	83 7	59 1	74 3
June	69 4	56 0	83 7	58 8	74 9
July	70·6	55 9	84 3	57 9	74 4
August	71 5	56 2	87 0	57 5	75 8
September	71 7	55 7	88 2	56 6	75 3
October	72 1	55 4	88 2	55 3	74 8
November	72·3	55 3	88 9	55 2	74 5
December	72·2	54 5	88 2	53 3	74 8
1935					
January	72·2	56·0	88 2	54 1	75 2
February	72 1	55 3	88 2	54 1	75 0
March	—	—	—	—	

	Holland	Norway	Poland	Sweden	Czecho slovakia
1928	149·0	157·0	101·0	148·0	96·9
1930 .	78 5	87 3	81 5	82·4	83 7
1931	65 1	77 7	69 8	75·0	76 2
1932	53·0	77·7	61 1	73 6	70 4
1933	49 7	77 7	59 1	72·3	67 9
1934					
April	53·0	78 3	56 8	76 4	68 4
May	51 7	78 3	56·0	76 4	67 9
June	51·0	78 3	55 8	77·0	68 1
July	51·0	79·0	5?9	77·0	72 0
August	52 3	80·0	55 8	77·0	71·0
September	51 7	80·3	55·0	77·0	71 1
October	51 7	80·0	51 ?	77·0	70·9
November	51 7	80·3	53 6	77 7	71 3
December	51 7	79·6	53 5	77 7	71 3
1935					
January	51 7	79·6	52·9	77 7	71 6
February	—	79·6	—	77 7	72·0
March ...		—		—	—

It will be observed from this table that in Germany wholesale prices reached their lowest point in 1933, and that since the commencement of the review year there has taken place a

continuous and rapid advance. Industrial activity and public works, both based on credit expansion, have been largely responsible for this improvement. Belgium, France, Holland and Poland continued to pursue deflationary policies and endeavoured to make the necessary reductions in costs and prices, and this is reflected in their price index numbers during the year. It will be remembered that Belgium finally found it impossible to make the necessary adjustments, and devaluated her currency at the end of March, 1935. On the other hand, Denmark, Norway, Sweden and Czechoslovakia, which had joined what is known as the sterling group, all record improvements in their wholesale prices during 1934-35.

As distinct from wholesale prices, it is worth examining the trend of primary commodity prices during the year under review. The following table of commodity price indices shows the course in sterling followed by primary commodities on the London international markets between January, 1934, and March, 1935. The index numbers are taken from the "Economist":—

September, 1931 = 100.

Period	Index Number	Period.	Index Number.
1934		1934	
January ...	118·0	October ...	124·2
April... ...	119·8	November ...	120·5
May	121 4	December ...	123·4
June... ...	123·4	1935	
July	124 8	January ...	123 7
August ...	129 1	February ...	123·9
September ...	125 7	March ...	123·3

It will be seen that primary commodity sterling prices followed much the same course as wholesale prices in general in the U.K. There was a gradual rise in prices, which reached its culminating point in August. From that date a decline set in till December, when prices again revive appreciably and remain fairly steady till the close of the period under review.

Coming now to the prices of those commodities which India exports to Northern European countries, it will be worth while comparing prices as they stood on the Hamburg/ Bremen commodity exchanges at the commencement of the review year (1934-35) with prices ruling on certain previous dates. The following table will be of interest in this connection:—

	September 1931	April 1932	April 1933	March 1934
Jute.				
First marks	£19 12 6	£17 7 6	£14 12 6	£1[illegible] 3 9
Cotton.				
Bremen cl I	5 00d	4 20d	3 85d	3 75d
Bremen cl. II	6 60d	4 60d	4 25d	4.50d
Rice.				
Burma L.R O	8 sh 6d	11 sh 3d	8sh	Rm 10 15 (inc Duty and surcharge)
Patna	21 sh	10 sh 9d	15 sh 3d	—
Bassein	11 sh 9d	12 sh 3d	9sh 4½d	Rm 12 35
Oilseeds.				
Groundnuts	£15 0 0	£15 12 6	£10 7 6	£8 8 9
Linseed	£10 10 0	£10 2 6	£[illegible] 5 0	£11 5 0
Oilcakes.				
Groundnut cake	Rm 5 8[illegible]	Rm 6.50	Rm 5 [illegible]0	Rm 8 00
Linseed cake	Rm 6 80	Rm 5 75	Rm 5 [illegible]0	Rm 8 60
Tea				
Northern Indian	15 66d	10 17d	9 85d	14 63d
Southern Indian	9 2[illegible]d	10 41d	10.80d	14 33d
Calcutta Kips.				
M.D.S	6d	5d	5½d	5½d
Shellac.				
T N Orange	74 sh	56 sh	43 sh 6d	92 sh 6d

The price quotations of April, 1933, are lower than any recorded before or since From then onwards, however, recovery begins slowly and gradually to exert its influence over prices, the downward trend of wholesale prices is stopped and the tendency is now in the upward direction It will be seen that, measured by the difference between the third and fourth columns, the recovery in prices has been both general and substantial All the commodities quoted in the table were able to record appreciable improvements in the period just preceding the year under review

We now come to the period which concerns us in this Report The following table shows prices at the beginning and end of the first quarter of our review year —

	April, 1934.	June, 1934.
Jute.		
First marks	£16 7 6	£14 15 0
Cotton.		
Bremen cl. I	3.70d.	3.80d.
Bremen cl. II	4.50d.	4.60d.
Rice.		
Bassein	Rm. 11.20	Rm. 10.90
Patna	Rm. 17.80	Rm. 17.10
Oilseeds.		
Groundnuts	£8 0 0	£8 10 0
Linseed	£11 0 0	£12 7 6
Oilcakes.		
Groundnut cake	Rm. 7.95	Rm. 9.35
Linseed cake	Rm. 8.50	Rm. 8.80
Tea.		
Northern Indian	14.16d.	12.93d.
Southern Indian	14.34d.	13.01d.
Calcutta Kips.		
M.D.S....	5½d.	5⅜d.
Shellac.		
T.N. Orange	85 sh.	112 sh. 6d.

From these figures it will be seen that during the first quarter there has been no general tendency in either direction. Prices of some commodities are up, while others record a decline. First marks jute prices were down by almost £2 per ton. This was the result of favourable crop and weather reports and trade estimates of an unreduced acreage. Demand was also poor, and Germany had imposed an import ban on jute during April and May. On the other hand, cotton prices of Indian varieties were up during the quarter, in sympathy with American prices. The exportable surplus was also below average. Rice declined slightly. Oilseeds and oilcakes recorded an increase in prices, in spite of the monopoly and import control. Due to an increase in London stocks, tea prices came down. Kips were more or less steady; and shellac, under the influence of speculative purchases in London, went up a good deal.

Coming to the second quarter of the review year we see the following development in prices;—

	July 1934	September 1934
Jute		
First marks	£14 15 0	£14 12 6
Cotton.		
Bremen cl I	3 65d	3.65d
Bremen cl. II	4 40d	4 60d
Rice.		
Bassein	Rm 10 90	Rm 11 55
Patna	Rm 17 10	Rm. 17 10
Oilseeds.		
Groundnuts	£8 11 3	£11 12 6
Linseed	£11 17 6	£11 10 0
Oilcakes.		
Groundnut cake	Rm 9 40	Rm 7 05
Linseed cake	Rm. 9 40	Rm 8 25
Tea.		
Northern Indian	12 96d	12 95d
Southern Indian	12 85d	11 17d
Calcutta Kips.		
M.D S. ..	5½d	6d.
Shellac		
T N Orange	116 sh. 6d	93 sh 6d

There was a further deterioration in jute during this quarter, first marks declining by *2s 6d* per ton over the whole period The effects of the preliminary and final forecasts had no abiding influence on jute prices which continued to display a sagging tendency Cotton was more or less steady Burma rice recorded an appreciable increase, while Patna remained firm Groundnuts were up by over £3 per ton, due to brisker demand Oilcakes declined badly, demand being poor in Belgium, Holland and Germany In regard to tea, northerns were firm, but southerns were down Kips were difficult to obtain in Germany, and prices were up by a half penny per lb T N Orange shellac had reached its maximum level and now commenced to decline steadily It will be recalled that during this quarter the import control boards were set up in Germany, and began to control imports of raw materials Devisen permits were also hard to come by

The trend of prices in the third quarter of the review year may be seen from the following table —

	October, 1934.	December, 1934.
Jute		
First Marks	£14 12 6	£16 17 6
Cotton		
Bremen cl. I	3.55d.	3.90d.
Bremen cl. II	4.50d.	4.90d.
Rice		
Bassein	Rm. 11.55	Rm. 11.55
Patna	—	—
Oilseeds		
Groundnuts	£10 18 9	£11 6 3
Linseed	£11 15 0	£11 15 0
Oilcakes		
Groundnut cake	Rm. 9.10	—
Linseed cake	Rm. 7.75 (excl. monoply tax)	—
Tea		
Northern Indian	13.08d.	11.35d.
Southern Indian	11.62d.	11.34d.
Calcutta Kips		
M.D.S.	5½d.	5½d.
Shellac		
T.N. Orange	92sh.	82 sh.

During this quarter commodity prices in most cases recovered some of the ground lost during the previous quarter. First marks jute rose again to very near £17 per ton. Both varieties of Indian cotton also advanced appreciably. Rice remained steady. Groundnuts showed an increase of nearly ten shillings per ton, linseed remaining the same. There were no oilcake quotations after October, as hardly any transactions took place on the exchanges in Germany. Kips remained firm throughout at 5½*d.* per lb. Tea and shellac, however, showed weakness and had to register declines, the latter commodity continuing its fall from the previous quarter. It will be recollected that it was during this quarter that the " New Plan " came into force in Germany. The resulting scarcity of supplies was responsible, to some extent, for the rise of prices on the German exchanges, though the Reich Price Commissioner was able to check any profiteering, and the Exchange Control authorities were sharp in their scrutiny of the prices paid for raw materials imported against the exports of German goods. Premiums were prohibited by law, though the ban was evaded in practice. Apart from these internal reasons, international causes were also at work to raise prices. World stocks were rapidly decreasing, governmental restrictions were exercising an increasing

nfluence, and finally, the demand for raw materials was being timulated by further schemes of public works and construction

The final quarter of the review year discloses the following movements in the prices of raw materials —

	January, 1935	March 1935
Jute		
First marks	£17 10 0	£16 18 9
Cotton		
Bremen cl. I	4 15d	4 00d
Bremen cl II	5 35d	5 50d
Rice		
Bassein	Rm. 11 55	Rm 11 55
Patna	—	—
Oilseeds		
Groundnuts	£13 15 0	£14 2 6
Linseed	£11 12 6	£11 2 6
Oilcakes		
Groundnut cake	no quotations	no quotations
Linseed cake		
Tea		
Northern Indian	11 35d	11 10d
Southern Indian	11 34d	12 74d
Calcutta Kips		
M D S	6d	6d
Shellac		
T N Orange	85 sh	68 sh

Jute prices, which had risen in consequence of the decision of the Bengal Government in January to reduce the area of jute sowing for the 1935 season, again declined gradually, and by the end of March first marks were lower by over ten shillings Cotton prices also fell slightly during this quarter, due to uncertainty in regard to the American official policy vis-a-vis the cotton growers Rice was steady, but Patna has ceased to be quoted for some time past now in the absence of imports Ground nuts were able to register an advance, but linseed prices declined Oilcakes were not quoted on the German exchanges, as there were practically no imports from India Kips were a halfpenny higher than in the previous quarter The break in the shellac speculation in London brought T N Orange down to 68s at the end of March

Comparing prices at the beginning and end of the year under review, it will be observed that commodity prices in most cases have been able to register advances Jute has risen from

£16 7*s.* 6*d.* to £16 18*s.* 9*d.* Cotton prices have also advanced. Rice has gone up, though very little. Groundnuts have increased from £8 in April, 1934, to £14 2*s.* 6*d.* in March, 1935; linseed has also gone up, though very little. Calcutta Kips are a halfpenny dearer. Tea and shellac however record declines. In the case of the former, consumption still makes little headway, demand is well below supply, and stocks have not decreased sufficiently to make a favourable impression on prices. The break in the speculation boom in shellac had brought prices down very severely. It will thus be seen that the gains outweigh the losses and the year ends by registering an appreciable advance in the commodity price level. There is a long way to go before we get back anywhere near the levels ruling before the depression commenced, but it is satisfactory that steady progress is being made in the right direction.

Chapter V.—Publicity and Propaganda.

The "New Plan" brought about an entirely new situation in the importation of manufactured goods into Germany by making them subject to the import control system, in addition to the previous control under the Devisen (foreign exchange) system. It will be recollected that by June, 1934, the amount of Devisen allotted for the importation of manufactured goods was only 5% of the value of transactions in the basic year 1931: and, as far as possible, foreign exchange was reserved for the purchase of raw materials essential for German industries. From October, 1934, onwards hardly any manufactured goods were admitted into the country, except by way of the clearing agreements between Germany and foreign countries. In these circumstances my office was faced with the problem of whether to participate at the Leipzig International Samples Fair in March, 1935, where India has in past years been represented by a collective exhibition of her arts and manufactures, as well as of her raw material resources. Indian arts and crafts, naturally, were given premier place on the exhibition stand, and they were by far the greater source of attraction, and elicited the larger number of enquiries. The manufactured goods, also, were obtained from India and London, from Government Departments and private manufacturers, and their agents in London. The goods were sent for exhibition at the Leipzig Fair, for the purpose of booking orders against the samples displayed and receiving enquiries, and were, if possible, sold at the close of the Fair to genuine trade buyers. The transport and other charges were borne entirely by the firms who sent the goods; and these, if unsold, were returned also at owners' cost. On the

other hand, the raw materials displayed at the Fair were mostly obtained from local Continental importers and agents, who were glad of an opportunity to have their names brought to the notice of the Fair visitor. The "New Plan," by bringing the importation of manufactured goods into Germany almost to a stop, enormously lessened the value of the Leipzig Spring Fair to Indian arts and crafts manufacturers, especially as it became impossible to book orders against samples. Introductions effected could lead to nowhere, as importation into Germany was hindered by the control regulations. The Government of India, therefore, finally decided that my office should not participate at the Leipzig Fair of March, 1935. Nevertheless, I paid a visit to the Spring Fair of 1935, and a complete report on the result of my visit was submitted to Government for its information. It will be useful to reproduce a summary of some portions of that report in the following paragraphs for the benefit of the business public in India and more especially for the arts and crafts manufacturers. In the course of an interview, which I had with a high official of the Fair management, this gentleman informed me that many firms which in the past had participated within the framework of their respective national exhibitions, had, in 1935, distributed themselves over the whole Fair in the separate buildings, according to their lines of business, e.g., sports goods manufacturers from abroad were represented at the "Sports Goods House," and the fancy leather manufacturers at the "Leather House," and so on. In the opinion of this Fair official, this appeared to be far more advantageous to the exhibiting firms, which would receive many more business enquiries by this kind of participation, than if they took part in the Fair within the framework of their national stands. He said he proffered this advice to Indian firms in spite of all the difficulties connected with participation of firms located in far distant countries.

It was ascertained that in 1935 there were only two Government Exhibitions in the *entire* Fair, belonging to Italy and Japan. The following countries which had important stands in the Spring Fair of 1934 were not represented in the 1935 Spring Fair: Spain, Hungary, Czechoslovakia, Austria and Soviet Russia. On visiting the Italian Government Stand, it was noticed that the number of individual firms participating within the framework of the national stand was far less than in previous years. I was informed at the Italian stand that business with old clients was going on all right but that there was no new or small firms who had come to the stand to make enquiries. This was due to the stringent import and Devisen regulations. The Clearing Agreement with Germany did not appear to give much help to the smaller firms who wanted to do business with Germany, only the older and bigger firms were able to utilise the Agreement fully. I was also told that old

foreign customers from France and Belgium (more especially the representatives of departmental stores) had come this year, but representatives from business houses in other countries, e.g., Scandinavia, Poland and the Balkan States were noticeably absent in 1935. I was also informed that, as a result of the Italian-German Clearing Agreement there had taken place a noticeable diversion of the German import trade in raw materials from some other countries to Italy; this tendency was very noticeable in the case of rice and fibres. For this reason the Italian Government had arranged for the printing and distribution at the Fair of special pamphlets on Italian rice and hemp. I saw these pamphlets liberally spread over the Italian Stand, and being freely taken by visitors at the stand.

Next a visit was paid to the Japanese national stand. The Japanese collective exhibition was larger this year than last, and appeared to be well attended by visitors, who were inspecting various Japanese goods with great interest. I was informed that in 1935 no business whatever could be transacted with Germany, and the reason for this was the various Devisen and import restrictions. In regard to enquiries from business visitors from foreign countries at the Fair, there were hardly any such enquiries received at the Japanese stand.

I next visited the stand of Mr. F. J. Bhumgara, whose firm has offices in London, Bombay and Madras. He had a very nice small stand on the fifth floor of the Ringmesshaus, practically opposite to the space where the Indian Government was located last year. His stand appeared to be very popular, and was thronged with visitors. It was got up as an attractive Oriental bazaar of arts and crafts. His exhibits included art ware from other countries as well as India,, e.g., Persia, French Colonies, Turkey, Palestine and Ceylon. Mr. Bhumgara informed me that he had received enquiries from visitors from Denmark and Switzerland, but not from other European countries. In regard to business with Germany, he stated that he hoped to arrange sales on a compensation basis, i.e., he would purchase German goods with the sale proceeds of his exhibits: future business would also be transacted on the barter system.

The "Arts and Crafts' House" was visited. This is a fine building, occupied by high-class exhibitors. This House would be suitable for only very high-class Indian artware, including textiles and carpets. Ordinary artware would be out of place here, and would receive much better attention in a collective Indian exhibition, as in past years. The "Textile House" was also visited. Here stands are taken by firms manufacturing and selling various

kinds of textiles and fabrics This House would be unsuitable for the display of Indian fancy textiles and fabrics, but would be useful for cheap carpets and rugs made of jute and coir In the Textile House there was a very interesting exhibit, arranged by the I G Farbenindustrie of the new German substitute materials known as Vistra and Wollstra The former is a substitute for cotton and is manufactured through a series of processes from wood Woolstra is a substitute for wool, and is a mixture of Vistra and natural wool The fabrics manufactured from these two materials were on display, and included various fabrics for ladies' clothes, gentlemen's suits furnishing materials, etc

I next visited the "Sports Goods House" This is a small House, and contains the stands for sports goods of various descriptions This House would be a suitable place for the display of very high-class Indian sports goods, e g , tennis rackets, hockey sticks, football outers etc Most of the firms in this place were German firms and no foreign manufacturers' stands were to be seen Those Indian firms who have London representatives or agencies might consider the question of participating at this House, but the goods exhibited would have to be quality goods The ordinary and cheaper varieties of Indian sports goods would be displayed to better advantage at a collective Indian stand, as in the past, where they would receive more attention from representatives of departmental stores which specialise more particularly in the cheaper varieties of sports goods

The general impressions gathered from my visit to the Leipzig Fair of 1935, have been given in this Report as a guide to Indian manufacturers who may desire to exhibit their goods at future Fairs at Leipzig It may be noted, however, that so long as the "New Plan renders the importation of and payment for Indian manufactured goods into Germany an extremely difficult task, it will not be advisable to ask Indian merchants and manufacturers to shoulder the costs of transporting their exhibits to Leipzig, and then to find that their exhibits cannot be sold and, what is still more important, that introductions effected at Leipzig lead to no results on account of the import and Devisen regime in force in Germany

It will be recollected from my previous Report that at the Leipzig Spring Fair of 1934, Indian food products were brought prominently to the notice of visitors at the Indian Stand Chutneys condiments curry powders rice tea and coffee were attractively displayed and much time was devoted to explaining to the Fair public the excellence and tastiness of these food products As a result great interest was shown in them and several enquiries

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and has in the past been held at regular intervals with the best of results The exhibitors are wholesale grocers, provision merchants and manufacturers of foodstuffs, no retailers being allowed The fair is visited mainly by grocery and provision retailers and by buyers of hotel supplies and representatives of departmental stores, etc The public is also admitted and the total number of visitors is estimated at an average of 20 000 per day

The Indian Stand was attractively decorated, the exhibits consisting of various qualities of Indian rice, tea, coffee, curry powder and chutneys As the proper way of making tea is not generally known in Germany a special cook was engaged to demonstrate how this should be done In this connection this office was in touch with the Hamburg representative of the Tee Buro, Amsterdam (agents of the Indian Tea Association London) who have issued a special pamphlet containing instructions as to how tea should be made A similar pamphlet was printed and distributed to visitors at the Indian Stand Another cook was engaged to prepare appetising curried rice dishes, and visitors were given free tasting samples Both cooks demonstrated the difference between rice and tea from India and that from other countries, in an endeavour to convince the retailers as well as the consumers that it is in their own interests to buy Indian rice and tea Through the courtesy of the German Rice Millers' Association propaganda posters and literature were given for display at the Indian Stand and this Association also kindly supplied samples of the various grades of Indian rice Samples of different grades of Indian tea were obtained from a Hamburg importer and from a firm of tea merchants in London and small samples of these teas were given away to retailers who had not previously been stocking Indian teas The idea was that these retailers should be induced to buy genuine Indian tea from their wholesalers

Prior to the opening of the Exhibition this office obtained from London wholesale grocery and provision merchants chutneys and curry powders for exhibition and use at the Indian Stand These firms supplied us with their business cards, so that it was possible to refer retailers enquiring for Indian products to these wholesalers and housewives were given pamphlets advising them to ask their grocers for Indian tea, rice and chutneys Although curry powder is at present little known in Central Germany the interest shown in this commodity by visitors to the Indian Stand seemed to show that it would be well worth introducing in Germany, more especially as the price was considered reasonable Tea in Germany, which is chiefly a coffee drinking country, is taken very weak without milk and it was interesting to note that the [illegible] with milk samples prepared at the Stand in the usual [illegible] were liked by many visitors

processes employed, together with pamphlets, were also fo
in this connection. The Agricultural Department subs
wrote and asked to be supplied with sample lots of cert
seeds for experimental sowing in Bengal. This was arra
from Gumbinnen. The Director of Industries, Punjab
this office to make enquiries regarding suitable machi
crushing bones. Extensive enquiries were made, and full
regarding *estimates and plans* for bone-crushing machine
several firms were sent out to the Director. The Fibre
of the Bengal Government wrote for information regard
manufacture of suitable machinery for the extraction
fibre. Extensive enquiries were made and detailed inform
regard to processes for the extraction of ramie fibre and
machinery for such processes was forwarded to the Beng
cultural Department. In this connection the Bengal Fibr
was put in touch with one of the foremost fibre experts
many, who very kindly agreed to send us samples of y
from refined jute for transmission to Bengal. Refere
already been made to the enquiry from the Seraikella State
ing felspar. Details of this enquiry will be found in Cha
under "Minerals." A number of enquiries were put thr
behalf of the Trade Commissioner for Mysore State in Lo
regard to *Mysore Coffee and Sandalwood Oil. A number*
enquiries were also investigated on behalf of the Imperial
of Agricultural Research in regard to certain commodi
results forwarded to the Council. Similarly the Indian
Cotton Committee sent us certain enquiries relating to
cotton: enquiries were made from the trade here and info
sent out to Bombay. This office has now arranged for the
bution of the publicity reports of the Cotton Commi
merchants in Bremen, Hamburg and other cotton centres.

The following are some of the most interesting enqui
ceived from the Director General of Commercial Intellig
Calcutta. In one enqui he asked for the names of expo
hydrogenated oils in G enmark and Belgium. E
were put through in tries and the name
important exporters w o Calcutta. In
case he asked us to supply s of legal st
force in European countries aps, with t
cal composition allowed und tions. E
quiries were set on foot in all in the
of my office, and all available ing
and regulations was forwarded tl
it was ascertained *that no such r*
den and Norway. Switzerland has
to soap manufacture and importat
these were forwarded to Calcutta

regarding soap are very similar to those in force in Switzerland In both countries the greatest care is taken in respect of toilet soap in the regulations which prohibit the use of more than certain percentages of some chemicals which are injurious to the skin In other countries the soap regulations in force are much the same in effect The names and addresses of manufacturers and exporters of brass sheets in Germany and other countries were obtained and forwarded to the D G C I He also sent us an enquiry from the Industries Department in the United Provinces relating to names of manufacturers in Germany of machinery for making pressed metal locks of the cheap type Enquiries were put through and the names of several machinery manufacturers were sent out to Calcutta for transmission to the U P Industries Department The D G C I sent an enquiry from a mining firm in South India for names of Continental importers of granite kerb stones Enquiries were made and the names of firms in Germany, Austria and Czechoslovakia interested in the matter were forwarded to India In another enquiry he asked for names of importers of " marking nuts " it was ascertained from the trade that marking nuts were known in Hamburg as Cashew nuts that they were imported not for their colour properties but rather for use in the confectionery trade

During the year a large number of enquiries on a variety of subjects were received from India House Investigations in all these references were made on the Continent on behalf of the Indian Trade Commissioner in London the Minerals Adviser, the Timber Adviser, the Trade Publicity Officer and the Special Shellac Research Officer Some enquiries were also received from the General Department and Publications Department of India House and were responded to Most of the enquiries from the Trade Department of India House related to Indian export commodities, but in some cases they referred also to requests from Indian importers, e g , the addresses of firms in Amsterdam were sought who could supply diamond bits for circular saws in stone cutting

The following are some of the enquiries received during the year from Chambers of Commerce and other semi official bodies The Deccan Merchants Association was, on request, supplied with a list of German importers of Indian Myrobolams The Indian Merchants Chamber, Bombay was furnished with information regarding imports into Germany and other countries in Northern Europe of oilseeds and oilcakes The Maharasthra Chamber of Commerce, Bombay, applied for names of German and other manufacturers who might be willing to advertise in a Directory proposed to be published by the Chamber The Chamber was supplied with lists of manufacturers who might be interested in its proposals The British Chamber of Commerce in Paris applied to us

seeds were also obtained on his behalf from India from research stations. Subsequently he wrote and asked for jute seeds. This enquiry was also dealt with on similar lines. A Berlin scientist was supplied with information and statistics regarding mica production in India: samples of various types were also obtained on his behalf from India.

During the year under review a large number of business visitors from India have been welcomed at the office. Every advice and assistance has been afforded them in the furtherance of the objects of their visit to Europe. In many cases the visitor's arrival had been previously notified to us by the D.G.C.I. or the particular Chamber of Commerce by an advance letter introduction; in other cases the firms which the visitors were representing, had themselves notified us of the forthcoming visit. The advance letter system is very useful indeed and may be recommended to all firms in India who intend sending representatives to Europe for business purposes. A fair amount of information can be collected in advance and made readily available for use as soon as the representative calls in at my office here. He will thus be able to start off his business programme almost immediately without having to wait for the preliminary information to be collected. Some of the visitors had come to make enquiries in regard to the difficulties raised by the Devisen and import control system in Germany in the way of importing Indian goods into this country, with special reference to frozen debts due from German importers. Information and advice were given, though it was found in all such cases that the only way to liquidate frozen commercial claims in Germany was to purchase German manufactured goods to the extent of the claim. In the majority of cases the visitors to this office were representatives of Indian importing firms who had come to Europe either to pay personal visits to their manufacturers or to seek new connections. A large number of the enquiries from our visitors related to German machinery of all kinds, textile, electrical and oil extracting; and also machinery for small factory plants for turning out a variety of goods such as pencils, pens, razor blades, buttons, pins and needles, soap, etc.; printing presses were also enquired after. Some of these enquiries may have resulted from the pressure to do compensation trade, but they also reveal the extent to which Indian industrial development has advanced and the rate of its further progress.

In the first chapter of this Report it was mentioned that one of the main functions of my office was "to assist Indian importers who are desirous of seeking connections with Continental manufacturers and exporters of finished goods, provided such goods are not in competition with similar goods of Indian manufacture." Judging from the very large number of enquiries received from India for

assistance in forming connections with Continental manufacturers and exporters, Indian firms appear to be well aware of this function of my office The following enquiries received from Indian importers are selected for mention out of the numerous ones of this class An educational institution in Allahabad wrote and asked for names of manufacturers of "gasogene" apparatus for working internal combustion engines by gas produced from charcoal Enquiries were made and the names of French and German manufacturers were forwarded to India A firm in Indore was supplied with names of manufacturers of textile machinery A Punjab firm was introduced to manufacturers of machinery for hosiery manufacture A Bombay firm of bullion brokers was put in touch with French and German firms manufacturing machinery for melting and refining gold and silver A firm in Cawnpore was given the names of Czechoslovak and German manufacturers of glass bottles A firm in Bareilly was put in touch with German suppliers of colours and paints A firm in Poona asked to be put in touch with a manufacturer of water-finder machines enquiries were made and the names of two manufacturers were passed to the Poona firm In one case this office was able to smooth out amicably the differences that had arisen between a German manufacturer of sewing machines and his Indian representative A firm in Calcutta wanted the services of a German expert to act as manager of their factory for which the machinery had been bought in Germany Enquiries were made and the Calcutta firm had to be informed that at present German expert workmen were not permitted by the authorities to leave Germany for working in foreign countries A firm in Ahmedabad was put in touch with manufacturers in Holland of starches used for finishing and sizing purposes of cloth A firm in Bombay was introduced to Dutch manufacturers of farina, dextrine, sago flour and zinc chloride A firm in Madras was put in touch with French suppliers of drawing instrument boxes and fireworks A firm in Baroda was supplied with names of Dutch manufacturers of looms, strawboards, packing material, shuttles and bobbins A Bombay firm was introduced to German manufacturers of tools A Calcutta firm was put in touch with German manufacturers of safety blasting fuses A Sialkot firm was introduced to manufacturers in Germany of coloured paper according to samples enclosed by the firm A Calcutta firm was put in touch with manufacturers in Germany of machinery and moulds for making goods out of artificial resins A firm in Nellore Madras, was introduced to German manufacturers of machinery for the production of oilcans A firm in Agra was given the names of manufacturers in Germany of machinery for making dry batteries, flash lights and battery holders A firm in Delhi was given names of manufacturers in Germany of machinery for turning out boots and shoes An Indore firm was put in touch with manufacturers in Germany of textile mill

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During the year under review a large number of business visitors from India have been welcomed at the office. Every advice and assistance has been afforded them in the furtherance of the objects of their visit to Europe. In many cases the visitor's arrival had been previously notified to us by the D.G.C.I. or the particular Chamber of Commerce by an advance letter introduction; in other cases the firms which the visitors were representing had themselves notified us of the forthcoming visit. The advance letter system is very useful indeed and may be recommended to all firms in India who intend sending representatives to Europe for business purposes. A fair amount of information can be collected in advance and made readily available for use as soon as the representative calls in at my office here. He will thus be able to start off his business programme almost immediately without having to wait for the preliminary information to be collected. Some of the visitors had come to make enquiries in regard to the difficulties raised by the Devisen and import control system in Germany in the way of importing Indian goods into this country, with special reference to frozen debts due from German importers. Information and advice were given, though it was found in all such cases that the only way to liquidate frozen commercial claims in Germany was to purchase German manufactured goods to the extent of the claim. In the majority of cases the visitors to this office were representatives of Indian importing firms who had come to Europe either to pay personal visits to their manufacturers or to seek new connections. A large number of the enquiries from our visitors related to German machinery of all kinds, textile, electrical and oil extracting; and also machinery for small factory plants for turning out a variety of goods such as pencils, pens, razor blades, buttons, pins and needles, soap, etc.; printing presses were also enquired after. Some of these enquiries may have resulted from the pressure to do compensation trade, but they also reveal the extent to which Indian industrial development has advanced and the rate of its further progress.

In the first chapter of this Report it was mentioned that one of the main functions of my office was "to assist Indian importers who are desirous of seeking connections with Continental manufacturers and exporters of finished goods, provided such goods are not in competition with similar goods of Indian manufacture." Judging from the very large number of enquiries received from India for

assistance in forming connections with Continental manufacturers and exporters Indian firms appear to be well aware of this function of my office The following enquiries received from Indian importers are selected for mention out of the numerous ones of this class An educational institution in Allahabad wrote and asked for names of manufacturers of "gasogene" apparatus for working internal combustion engines by gas produced from charcoal Enquiries were made and the names of French and German manufacturers were forwarded to India A firm in Indore was supplied with names of manufacturers of textile machinery A Punjab firm was introduced to manufacturers of machinery for hosiery manufacture A Bombay firm of bullion brokers was put in touch with French and German firms manufacturing machinery for melting and refining gold and silver A firm in Cawnpore was given the names of Czechoslovak and German manufacturers of glass bottles A firm in Bareilly was put in touch with German suppliers of colours and paints A firm in Poona asked to be put in touch with a manufacturer of water finder machines enquiries were made and the names of two manufacturers were passed to the Poona firm In one case this office was able to smooth out amicably the differences that had arisen between a German manufacturer of sewing machines and his Indian representative A firm in Calcutta wanted the services of a German expert to act as manager of their factory for which the machinery had been bought in Germany Enquiries were made and the Calcutta firm had to be informed that at present German expert workmen were not permitted by the authorities to leave Germany for working in foreign countries A firm in Ahmedabad was put in touch with manufacturers in Holland of starches used for finishing and sizing purposes of cloth A firm in Bombay was introduced to Dutch manufacturers of farina, dextrine, sago flour and zinc chloride A firm in Madras was put in touch with French suppliers of drawing instrument boxes and fireworks A firm in Baroda was supplied with names of Dutch manufacturers of looms strawboards, packing material, shuttles and bobbins A Bombay firm was introduced to German manufacturers of tools A Calcutta firm was put in touch with German manufacturers of safety blasting fuses A Sialkot firm was introduced to manufacturers in Germany of coloured paper according to samples enclosed by the firm A Calcutta firm was put in touch with manufacturers in Germany of machinery and moulds for making goods out of artificial resins A firm in Vellore Madras was introduced to German manufacturers of machinery for the production of oilcans A firm in Agra was given the names of manufacturers in Germany of machinery for making dry batteries flash lights and battery holders A firm in Delhi was given names of manufacturers in Germany of machinery for turning out boots and shoes An Indore firm was put in touch with manufacturers in Germany of textile mill

machinery, of heavy chemicals and oil, and steam engines. A firm in Ludhiana was introduced to manufacturers in Germany of knitting machines. A firm in Akyab, Burma, was introduced to German manufacturers of hardware and paints. A Lucknow manufacturer of fountain pens was introduced to German suppliers of hard rubber, ebonite, vulcanite ink sacs and irridium points. A metal works firm in Amritsar was put in touch with German manufacturers of German welding plants. An engineering works in Lahore was introduced to German manufacturers of cranes, platform weighing machines and weighing bridges. A firm in Bombay was put in touch with Dutch manufacturers of electric bulbs for automobiles. It will be seen from this selection of enquiries how wide and varied was the range of goods for which Indian firms made enquiries from my office. It will therefore be appropriate to bring to the notice of the Indian business public the useful services which the Trade Commissioner's office performs in bringing into touch with each other Continental manufacturers and suppliers and Indian firms requiring finished goods, especially machinery from northern European countries. The jurisdiction of this office covers all the main industrial countries in Europe, viz., Germany, France, Belgium, Switzerland, Czechoslovakia, Holland and Sweden. Enquiries from India for machinery are dealt with particularly carefully as they are a means of fostering the industrial development of India.

Chapter VII.—Staff and Acknowledgments.

During the year under review the Indian Trade Commissioner at Hamburg had the following personnel on his staff:—

(1) A Chief Clerical Officer.

(2) An assistant clerk-shorthand typist.

(3) A second assistant clerk.

(4) A third assistant clerk.

The Chief Clerical Officer exercises general supervision over the work of the office. He is in charge of the cash and accounts of the office; he deals with all incoming mail and has the letters sorted and placed in the proper files for submission to the Trade Commissioner. He deals with all routine matters and files. He interviews business visitors and answers telephone enquiries where such visits and enquiries are not addressed personally to the Trade Commissioner. When the Trade Commissioner leaves headquarters on official business or leave of absence, the Chief Clerical Officer assumes entire charge of the office.

The assistant clerk-shorthand typist is in charge of the registers of incoming and outgoing letters and maintains separately all confidential files and files of importance which are in constant demand by the Trade Commissioner and Chief Clerical Officer. This clerk carries out the greater portion of the shorthand and typing work of the office, is in charge of the office library and the task of maintaining it up to date, and performs other secretarial work required by the Trade Commissioner and Chief Clerical Officer. The second assistant clerk maintains all the general office files and is responsible for placing them in their appropriate file cabinets He sorts all incoming letters and places them in their proper files. He also performs a good deal of shorthand and typing work. He carries out the preparatory work in connection with the receiving and sorting of exhibition goods for fairs and exhibitions He also sees to the re-despatch of all these goods at the close of every fair and exhibition. He is also partly responsible for the issue of circular routine letters and questionnaires to business firms in Continental countries The third assistant clerk has the entire work of maintaining up to date the card-index system of the office relating to importers and exporters and the registers of business firms in India and the Continent This clerk is also partly responsible for the issue of circular routine letters and questionnaires, is in sole charge, under the Chief Clerical Officer's supervision, of the office stamps and the outgoing mail work The third clerk has now been placed on a semi-permanent basis, and the congestion of work in the office has to some extent been relieved I must record here my deep gratitude to the staff of my office for their continued loyal support and unflagging service Their ungrudging assistance is largely responsible for the efficiency of the office in carrying out its duties

In concluding this Report I express my thanks and appreciation to the departments of the Governments to whom I am accredited as Trade Commissioner for their courtesy and attention I owe a deep debt of gratitude to the diplomatic, commercial and consular officers of His Britannic Majesty's Government in all the countries within my jurisdiction for their valuable advice, guidance and assistance in my work. I must thank all Chambers of Commerce and business associations in India and Europe for their ready help. I must also take this opportunity of expressing my thanks and gratitude to the proprietors and editors of [illegible] and publications in India for their continued support in [illegible] their journals for use in my office library, where [illegible] both Indian and European, find them of great val[illegible] A regular Indian news and intelligence service is [illegible] ated to the [illegible] public in [illegible]

21st July, 19[illegible]

APPENDIX A—I

Imports into Germany of Principal Commodities Exported from India.

(In Doppelzentners = Dz.
1 Dz. = 100 kilos = 220 lbs. 10 Dz. = 1 metric ton = 2,204 lbs.

—	January to December, 1932.	January to December, 1933.	January to December, 1934.
Jute and Jute Waste ... ... Total	**759,384**	**1,112,870**	**1,074,332**
Share: British India	754,674	1,110,294	1,070,054
Belgium	—	—	1,935
China	1,511	570	403
Dutch Indies	3,199	1,027	353
Jute bags ... ... Total (raw)	**14,024**	**17,946**	**14,439**
Share: British India	5,251	3,008	794
Czechoslovakia	406	6,975	9,327
Netherlands	2,878	3,738	929
Belgium	3,817	3,221	233
Gt. Britain	1,075	683	1,521
Jute cloth ... ... Total (sacking)	**10,970**	**18,103**	**29,170**
Share: British India	3,393	1,342	316
Netherlands	3,654	8,349	7,339
Esthonia	2,229	4,399	5,272
Czechoslovakia	1,270	3,610	13,691
Jute cloth ... ... Total (bleached, dyed and worked)	**6,729**	**9,912**	**2,150**
Share: British India	5,327	8,816	63
Netherlands	832	—	161
Switzerland	—	746	997
Belgium	—	151	410
Cotton ... ... Total in bales (raw)	**1,779,537**	**1,968,840**	**1,549,570**
Share: British India	113,179	192,348	193,328
U.S.A.	1,389,110	1,469,534	884,994
Egypt	98,557	118,291	133,071
Peru	37,686	42,956	49,614
Total in Dz.	**3,747,159**	**4,165,578**	**3,169,008**
Share: British India	205,808	356,741	347,788
U.S.A.	2,960,131	3,131,010	1,898,014
Egypt	329,309	389,850	442,259
Peru	83,946	97,046	112,742
Indian and New Zealand hemp ... Total (in Dz.)	**20,492**	**31,381**	**21,844**
Share: British India	17,774	26,033	16,489
Dutch Indies	1,794	4,043	1,881
China	—	394	1,795
Sisal hemp ... ... Total	**353,666**	**434,433**	**379,715**
Share: British India	6,519	4,780	3,936
Dutch Indies	118,139	141,728	130,877
British East Africa ...	98,432	80,227	41,221
Tanganyika	63,692	137,628	131,354

APPENDIX A—[illegible]

			[illegible]	[illegible]	[illegible]
Coir fibre		Total	[illegible]	[illegible]	[illegible]
Share	British India	—	[illegible]	[illegible]	[illegible]
	Ceylon	—	[illegible]	[illegible]	[illegible]
Coir yarn		Total	[illegible]	[illegible]	[illegible]
Share	British India	—	[illegible]	[illegible]	[illegible]
	Ceylon	—	[illegible]	[illegible]	[illegible]
Rice—polished		Total	[illegible]	[illegible]	[illegible]
Share	British India	—	[illegible]	[illegible]	[illegible]
	Siam	—	[illegible]	[illegible]	[illegible]
	U.S.A.	—	[illegible]	[illegible]	[illegible]
	Italy	—	[illegible]	[illegible]	[illegible]
	French India	—	[illegible]	[illegible]	[illegible]
	Dutch Indies	—	[illegible]	[illegible]	[illegible]
Rice—unpolished		Total	[illegible]	[illegible]	[illegible]
Share	British India	—	[illegible]	[illegible]	[illegible]
	Siam		[illegible]	[illegible]	[illegible]
	Italy	—	[illegible]	[illegible]	[illegible]
	Dutch Indies	—	[illegible]	[illegible]	[illegible]
	Persia	—	[illegible]	[illegible]	[illegible]
Rice bran		Total	1,337,214	[illegible]	[illegible]
Share	British India	—	[illegible]	[illegible]	[illegible]
	Siam		[illegible]	[illegible]	—
	French India	—	[illegible]	[illegible]	[illegible]
	U.S.A.		[illegible]	[illegible]	4
	Denmark		—	—	[illegible]
	Netherlands		[illegible]	[illegible]	—
	Dutch Indies		[illegible]	[illegible]	—
	Italy		[illegible]	[illegible]	—
Coffee (raw)		Total	1,302,556	1,253,574	1,527,[illegible]
Share	British India		[illegible]	8,415	[illegible]
	Brazil		[illegible]	[illegible]	[illegible]
	Guatemala		[illegible]	[illegible]	[illegible]
	Salvador		[illegible]	[illegible]	[illegible]
Tea		Total	47,976	46,927	42,278
Share	British India		[illegible]	11,111	[illegible]
	Dutch Indies		[illegible]	[illegible]	[illegible]
	Ceylon		[illegible]	[illegible]	[illegible]
	China		[illegible]	[illegible]	[illegible]
Pepper (black and white)		Total	51,247	[illegible]	[illegible]
Share	British India		[illegible]	[illegible]	[illegible]
	Dutch Indies		[illegible]	[illegible]	[illegible]
	British Malaya		[illegible]	[illegible]	[illegible]
Myrobolans		Total	[illegible]	[illegible]	[illegible]
Share:	British India		[illegible]	[illegible]	[illegible]
	Turkey		—	[illegible]	[illegible]

APPENDIX A—I (*continued*).

—		January to December, 1932.	January to December, 1933.	January to December, 1934.
Cow hides (wet)	**Total**	**773,620**	**815,747**	**923,096**
Share: British India		839	560	390
Argentine		330,241	285,917	304,752
Uruguay		60,073	88,866	89,352
Brazil		68,162	79,897	95,765
Cow hides (dry)	**Total**	**182,970**	**231,598**	**214,078**
Share: British India		29,576	45,138	51,203
Brazil		34,411	42,779	38,005
Argentine		39,092	41,725	36,518
Sheep skins (raw)	**Total**	**57,901**	**59,239**	**85,935**
Share: British India		308	1,547	1,364
Soviet Russia		28,780	21,305	22,306
Iceland		5,449	2,724	7,603
Algeria		2,048	7,232	9,685
Goat skins (raw)	**Total** in pieces	**5,280,452**	**4,742,903**	**5,097,439**
Share: British India		1,196,116	1,152,624	1,054,592
Spain		1,048,160	843,578	616,488
Egypt		662,988	679,922	500,310
China		356,351	213,159	584,491
Reptile skins (raw)	**Total** in pieces	**3,363,490**	**3,675,487**	**2,101,113**
Share: British India		640,329	546,336	195,954
Brazil		1,755,159	1,489,737	407,933
Dutch Indies		357,978	425,736	260,558
Argentine		81,337	417,538	637,785
Goat Skins (prepared)	**Total** in pieces	**2,034,210**	**3,649,396**	**3,358,959**
Share: British India		512,573	1,827,645	2,103,989
Great Britain		508,028	1,119,877	585,903
France		431,882	251,680	113,764
U.S.A.		473,368	226,642	285,414
Sheep and Lamb skins (prepared)	**Total** in pieces	**7,528,314**	**10,501,671**	**11,769,538**
Share: British India		155,468	676,717	777,933
Great Britain		2,790,970	4,557,382	4,509,750
France		2,368,826	2,776,708	1,744,527
Belgium		1,136,690	1.037,349	2,010,788
Netherlands		521,720	325,024	1,064,468
Box-, Ebony-, Teak-, Pock-, Cornel-, Persimmon Wood	**Total** in Dz.	**4,220**	**10,043**	**31,821**
Share: British India		2,570	6,318	20,042
U.S.A.		—	1,029	6,280
Siam		1,143	1,617	3,065
Rapeseed	**Total**	**185,937**	**250,039**	**171,874**
Share: British India		106,835	157,922	123,815
Poland		33,596	33,204	11,831
Danzig		18,191	10,755	3,804
Roumania		10,050	7,033	5,330

APPENDIX A—I *continued.*

—		January to December, 1932	January to December 1933	January to December, 1934
Madia, Kapok, Niger Seed Ben Nuts Cypherus, Laurel	**Total**	18,219	17,044	14,665
Share British India		14 347	15 327	13 171
British West Africa		3 517	1,534	154
Groundnuts (undecorticated)	**Total**	**248,777**	**519,360**	**762,898**
Share British India		28,875	108 753	64 540
China		118,663	144 364	144 168
French West Africa		72 843	137 683	14,335
British West Africa		20,224	62 230	449,510
Groundnuts (decorticated)	**Total**	**2,177,363**	**2,637,162**	**3,185,512**
Share: British India		1 523,005	2 114 809	2,386,850
China		387 074	236,271	423,385
British West Africa		134 919	176 882	297,874
Linseed and Linseed Meal	**Total**	**4,463,534**	**3,582,769**	**3,169,384**
Share British India		89 654	153 565	103,641
Argentine		4,256,163	3,335,296	3,028 934
Kopra	**Total**	**1,306,389**	**1,211,814**	**2,251,900**
Share: British India		46 542	12 847	21,654
Dutch Indies		1 054,696	929 669	1,631,326
British Malaya		54 869	59,312	96,387
Ceylon		55,085	53 044	212,735
Oilcakes :—				
Cotton seed	**Total**	621,296	445,954	311,305
Share: British India		4,760	6,873	—
Soviet Russia		66 711	101,257	302,577
U S A		110,305	101,170	894
Argentine		119 605	76,608	3 706
Egypt		92,840	64,555	112
Brazil		134,207	38,572	—
Groundnut	**Total**	1,894,163	1,222,099	131,726
Share British India		784 071	578,975	1,150
France		667,832	417,850	27,024
Argentine		158 151	95,976	7,219
Netherlands		61 784	43 768	—
Denmark		33,251	27 770	37,225
Kopra	**Total**	1,018,037	742,208	47,223
Share British India		51,139	67 114	274
Philippines		482,976	217,222	25,274
Dutch Indies		204 774	141,273	6,608
Denmark		35 191	42,077	17,166
Linseed	**Total**	1,148,863	256,247	199,596
Share: British India		43 540	15,816	—
Soviet Russia		525,243	412,102	101,163
Sweden		12,485	4 121	27 657
Czechoslovakia		37 109	64,828	165
Poland		91,003	55 115	230
Holland		107,803	48 859	—
U.S.A.		83,361	33 482	6,248

APPENDIX A—I. (*continued*).

—	January to December, 1932.	January to December, 1933.	January to December, 1934.
Animal bone manure, fish meal, blood meal, etc. ... ... **Total**	**263,344**	**288,511**	**208,079**
Share : British India	29,762	29,701	30,344
Argentine	114,259	144,018	124,176
Netherlands	26,699	19,774	3,916
Denmark	3,828	11,171	50,925
Bone meal ... ... **Total**	**43,222**	**46,589**	**53,333**
Share : British India	28,416	37,319	39,299
Denmark	5,598	6,465	5,696
Argentine	6,280	593	1,821
Gum lac ... ... **Total**	**24,132**	**21,146**	**26,259**
Share : British India	23,769	20,588	24,067
Siam	244	353	1,458
Shellac ... ... **Total**	**19,945**	**17,797**	**17,639**
Share : British India	19,216	17,271	17,058
Dutch Indies	416	390	97
Pig iron ... ... **Total**	**626,282**	**747,324**	**908,395**
Share : British India	91,137	71,681	76,640
France	210,849	213,354	188,614
Sweden	64,629	130,329	235,910
Saar Territory	68,742	101,492	126,129
Great Britain	87,904	76,360	57,297
Tin ... ... **Total**	**121,098**	**148,723**	**134,703**
Share : British India	29,328	18,972	15,198
Dutch Indies	34,311	60,341	53,859
British Malaya	23,869	17,183	16,076
Netherlands	5,316	15,668	20,249
Magnesite ... ... **Total**	**345,796**	**533,887**	**928,302**
Share : British India	2,012	—	498
Austria	156,295	242,101	513,557
Czechoslovakia	94,132	145,732	164,286
Manganese ore ... ... **Total**	**1,067,791**	**1,319,255**	**2,247,446**
Share : British India	56,667	300,435	127,281
Soviet Russia	853,380	859,766	1,719,370
Dutch Indies	32,346	50,547	47,707
British South Africa ...	—	10,170	192,315
Nickel ore ... ... **Total**	**176,984**	**345,126**	**376,091**
Share : British India	28,032	31,179	34,537
Greece	143,256	271,865	296,977
Canada	2,475	34,874	41,093
Wolfram ore ... ... **Total**	**17,141**	**37,664**	**43,852**
Share : British India	6,318	13,977	9,562
China	8,857	19,068	25,104

APPENDIX A—I (continued)

—		January to December 1932	January to December 1933	January to December 1934
Mica	**Total**	**3,939**	**5 806**	**10,060**
Share :	British India	3 095	3 885	5 425
	British East Africa	32	402	296
	British South Africa	—	—	1 145
	Great Britain	142	280	517
Pig lead	**Total**	**506,566**	**486 847**	**485,544**
Share :	British India	16 569	2 081	4 789
	Australia	245 104	239 959	154,388
	Mexico	87 578	78 966	189 479
	U S A	32 254	51 175	43 357
Paraffin wax	**Total**	**149,314**	**187,833**	**215,541**
Share	British India	12 725	18 680	28 040
	U.S.A	119,510	139 950	121 972
	Soviet Russia	4 637	13 039	37 437
	Dutch Indies	8 148	10 966	10 807

APPENDIX A—II.

Imports into Germany of Principal Commodities Exported from India.

(In Doppelzentners : 1 Dz.=100 kilos ; 10 Dz. = 1 metric ton.)

—	January to March, 1933.	January to March 1934.	January to March, 1935.
Jute (raw and waste) ... ... **Total**	**276,522**	**350,457**	**367,182**
Share : British India	275,960	349,020	359,486
Jute bags ... ... **Total**	**14,182**	**2,552**	**2,664**
Share : British India	2,449	409	—
Czechoslovakia	—	1,337	1626
Netherlands	3,257	531	—
Jute cloth (sacking) ... ... **Total**	**4,481**	**5,907**	**14,834**
Share : British India	504	—	—
Netherlands	3,087	2,369	5,047
Czechoslovakia	—	1,988	7,315
Esthonia	689	1,220	1,058
Jute cloth (bleached, dyed and worked) ... ... **Total**	**1,322**	**379**	**1,905**
Share : British India	1,211	—	—
Cotton (raw) ... ... **Total** in bales	**499,794**	**511,597**	**349,911**
Share : British India	38,114	47,400	27,828
U.S.A.	387,387	357,638	62,594
Egypt	36,839	46,004	30,443
Brazil	36	—	95,812
Turkey	1,172	352	42,725
Total in Dz.	**1,074,306**	**1,078,427**	**662,540**
British India	70,581	86,158	51,491
U.S.A.	821,319	764,423	135,683
Egypt	120,872	153,434	97,080
Brazil	46	—	161,108
Turkey	2,260	677	83,497
Indian and New Zealand hemp ... **Total**	**8,937**	**9,477**	**13,318**
Share : British India	7,943	7,721	1,526
Dutch Indies	—	204	—
China	—	—	7,912
Sisal hemp ... ... **Total**	**80,271**	**100,379**	**150,244**
Share : British India	1,056	1,064	—
Tanganyika	18,212	35,051	27,179
Dutch Indies	30,484	28,727	71,128
British East Africa ...	18,567	11,124	11,710
Coir fibre ... ... **Total**	**1,164**	**2,759**	**1,892**
Share : British India	722	—	—
Ceylon	442	—	—

APPENDIX A—II. (*continued*)

—				January to March 1933	January to March 1934	January to March 1935
Coir yarn			**Total**	**21,265**	**26,569**	**29,105**
	Share	British India		20 710	25 162	28 714
		Ceylon		—	1 195	391
Rice (polished)			**Total**	**279,449**	**126,379**	**99 445**
	Share	British India		84 727	36 562	25 667
		Siam		52 956	26 725	9 754
		French India		11 590	20 251	24 271
		Italy		29 470	15 225	9 572
		U.S.A		53 771	9 271	4 219
Rice (unpolished)			**Total**	**323,644**	**367,088**	**379 003**
	Share	British India		298 717	259 032	170 581
		Italy		24	60 870	189,259
		Siam		4 090	32 633	15 329
Rice bran			**Total**	**294 284**	**396**	**4,907**
	Share	British India		94 05[illegible]	246	—
		U.S.A		50 299	—	—
		Siam		68 540	—	—
Coffee (raw)			**Total**	**296,570**	**353,326**	**321,600**
	Share	British India		1 910	1 831	1 142
		Brazil		107 441	138 994	16[illegible] 117
		Guatemala		52 611	64 262	33,277
		Columbia		19 329	41 133	32 100
		Salvador		27 402	32 267	25 842
Tea			**Total**	**10,809**	**10,935**	**9,569**
	Share:	British India		2 676	2,504	1 928
		Dutch Indies		4 953	5 [illegible]97	5 568
		Ceylon		2 2[illegible]0	2 176	1,310
Pepper (black and white)			Total	**12,094**	**11,617**	**8,293**
	Share	British India		2 428	2 421	1 229
		Dutch Indies		6 896	7 284	[illegible],279
		British Malaya		2 7[illegible]0	1 868	410
Myrobolans			**Total**	**16 609**	**19,490**	**34,197**
	Share	British India		16 406	19,391	34 10[illegible]
Cow hides (wet)			**Total**	**166,322**	**265,259**	**236,426**
	Share	British India		122	—	—
		Argentine		72 717	94 830	92 0[illegible]
		Brazil		10,806	13,[illegible]15	29 630
Cow hides (dry)			**Total**	**61,845**	**62,099**	**76,128**
	Share	British India		[illegible] 204	9 777	14 7[illegible]
		Argentine		15 060	14 732	27
		Brazil		13 011	11 93[illegible]	1[illegible]

APPENDIX A—II. (*continued*).

	January to March, 1933.	January to March 1934.	January to March, 1935.
Sheep skins (raw) ... ... **Total**	**12,159**	**19,782**	**26,639**
Share: British India	—	550	76
Soviet Russia	3,635	7,878	1,881
France	148	733	3,222
Iceland	746	2,906	2,237
Argentine	—	—	5,813
Goat skins ... (raw) ... **Total** in pieces	**1,037,832**	**1,514,933**	**1,575,498**
Share: British India	135,773	384,105	71,060
Spain	172,136	342,394	386,681
Czechoslovakia	105,820	140,500	131,548
Egypt	143,078	109,400	206,350
China	10,132	21,556	177,065
Reptile skins (raw) ... **Total** in pieces	**894,962**	**697,815**	**214,982**
Share: British India	162,340	55,825	16,822
Argentine	—	256,016	21,065
Brazil	467,241	176,633	37,470
Dutch Indies	47,616	102,714	38,884
Columbia	—	14,037	51,867
Goat Skins... (prepared) ... **Total** in pieces	**826,633**	**824,205**	**940,763**
Share: British India	470,942	377,383	579,117
Great Britain	224,297	253,551	294,019
U.S.A.	60,431	62,589	35,688
France	44,670	32,484	12,449
Sheep & Lamb Skins (prepared) **Total** in pieces	**2,143,322**	**3,250,097**	**3,192,039**
Share: British India	166,112	196,366	257,046
Great Britain	985,966	1,491,937	1,836,942
Belgium	262,004	644,416	324,437
France	432,794	413,334	426,602
Netherlands	95,033	220,087	127,228
Box-, Eboney-, Teak-, Pock-, Cornel-, Persimmon Wood: Total in dz.	**1,276**	**5,389**	**7,445**
Share: British India	521	3,634	4,764
U.S.A.	—	—	1,295
Rape seed ... ... **Total**	**64,882**	**58,652**	**17,408**
Share: British India	39,845	44,459	3,689
Poland	5,873	6,480	145
Soviet Russia	—	3,399	49
Roumania	293	473	8,650
Madia-, Kapok-, Niger Seed, Ben Nuts, Cypherus, Laurel: Total	**4,562**	**3,247**	**748**
Share: British India	2,845	3,141	748
Groundnuts ... (undecorticated) ... . **Total**	**175,331**	**165,375**	**14,434**
Share: British India	52,805	8,574	1,012
British West Africa ...	4,259	108,541	—
China	27,719	32,659	12,113
French West Africa ...	88,795	14,224	—

APPENDIX A—II (*continued*)

—		January to March, 1933	January to March, 1934	January to March, 1935
Groundnuts (decorticated)	Total	**748,108**	**888,983**	**339,69[illegible]**
Share: British India		679,185	680,901	279,050
British West Africa		96,495	218,035	3,144
China		48,725	69,027	15,923
Portuguese East Africa		2,089	22,604	39,114
Linseed	Total	**1,225,755**	**1,057,355**	**455,866**
Share: British India		27,908	36,419	4,529
Argentine		1,169,56[illegible]	1,010,791	449,04[illegible]
Kopra	Total	**259,421**	**775,460**	**279,579**
Share: British India		3,262	10,312	
Dutch Indies		216,60[illegible]	581,889	164,479
Ceylon		6,230	67,981	8,009
British Malaya		13,73[illegible]	13,930	[illegible],831
Oilcakes :—				
Cottonseed	Total	**244,939**	**2,825**	**236,848**
Share: British India		—	—	—
Argentine		35,687	1,796	—
U.S.A.		70,011	511	215,31[illegible]
Groundnut	Total	**677,719**	**6,508**	**115,115**
Share: British India		314,197	208	[illegible]
Switzerland		9,352	1,010	14,433
Italy		3,678	1,47[illegible]	[illegible]
France		212,612	1,38[illegible]	
Kopra	Total	**354,485**	**14,226**	**10,243**
Share: British India		30,663	3[illegible]	
Philippines		127,334	6,97[illegible]	1,003
Dutch Indies		75,473	6,40[illegible]	—
Denmark		28,725	—	1,200
Linseed	Total	**394,594**	**11,354**	**91,239**
Share: British India		7,483		
Soviet Russia		170,348	8,54[illegible]	[illegible]8,368
Italy		—	2,323	—
Hungary		1,638	—	9,733
Animal bone manure, fish manure, blood meal, etc.	Total	**83,514**	**95,749**	**83,830**
Share: British India		15,630	6,363	2,760
Argentine		30,343	46,227	43,497
U.S.A.		3,783	14,618	2,733
Denmark		—	5,046	1[illegible],299
[illegible]ne Meal	Total	**16,095**	**11,728**	**7,834**
Share: British India		13,610	9,303	6,369
Argentine		593	—	—
[illegible]n lac	Total	**4,401**	**7,294**	**11,448**
Share: British India		4,215	7,311	7,955
[illegible]ac	Total	**4,848**	**4,661**	**4,443**
Share: British India		4,778	4,533	4,134

APPENDIX A—II. (*continued*).

—			January to March, 1933.	January to March 1934	January to March, 1935.
Pig iron		**Total**	**184,801**	**222,824**	**100,740**
Share :	British India		27,445	30,036	—
	France		43,730	61,697	22,873
	Sweden		23,284	39,497	37,656
	Saar Territory		19,711	32,683	16,342
Tin (raw)		**Total**	**33,693**	**39,273**	**31,956**
Share :	British India		7,757	3,772	1,509
	Dutch Indies		10,755	15,817	15,087
	Netherlands		2,618	4,748	3,789
Manganese		**Total**	**339,033**	**465,024**	**461,360**
Share :	British India		102,976	15,407	35,573
	Soviet Russia		206,809	391,347	279,287
	British West Africa		—	15,986	39,299
	British South Africa		—	—	56.823
Nickel ore		**Total**	**66,554**	**130,588**	**91,560**
Share :	British India		2,995	8,984	14,199
	Greece		60,960	107,493	60,096
	Canada		—	11,582	16,236
Wolfram ore		**Total**	**9,798**	**9,402**	**16,892**
Share :	British India		2,980	1,959	2,885
	China		6,061	6,306	9,519
Mica		**Total**	**1,058**	**1,810**	**2,693**
Share :	British India		926	1,110	1,870
Paraffin wax		**Total**	**33,920**	**43,166**	**65,253**
Share :	British India		2,697	6,019	6,425
	U.S.A.		27,244	30,231	28,232
	Soviet Russia		688	3,229	20,610

APPENDIX [illegible]

Prices of Principal Indian Commodities Quoted on Hamburg Bremen Exchanges during different [illegible] of the Year

—	April 1934	July 1934	October [illegible]	[illegible]	[illegible]
Oils (Hamburg, in Marks per 100 kilos)					
Linseed	26¼	—	30[illegible]		
Groundnut	19	—	27[illegible]		
Cocoa	18	—	—		
(Hamburg in £ per 100 Kilos)					
Castor	27¾ 25¼	[illegible]	[illegible]	[illegible]	[illegible]
Oilcakes (Hamburg in Marks per 50 kilos)					
Cocoa	8 20–2[illegible]	8 85	[illegible]		
Palm	7·05–15	7 85	[illegible]		
Linseed	8 25–30	9 40	[illegible]		
Rape	7·05–10	7 25	[illegible]		
Groundnut	7 00–8 –	9 40	[illegible]		
Oilseeds (London in £ per ton)					
Linseed	11¾	11[illegible]	[illegible]	[illegible]	[illegible]
Groundnuts (Coromandel)	8¼	8[illegible]	[illegible]	[illegible]	[illegible]
Palmkernels (Liverpool)	6¾	6[illegible]	[illegible]		[illegible]
Castorseed	9¾	9¾	[illegible]	[illegible]	[illegible]
Spices (Hamburg in Marks per 100 kilos duty unpaid)					
Pepper black Lampong	58	60	110	[illegible]	[illegible]
do. white Muntok	93	120	[illegible]	[illegible]	[illegible]
Cinnamon	68 90	90–143	101 [illegible]	[illegible]	[illegible]
Cotton (East Indian, Hamburg in pence per lb.)					
Superfine [illegible] white [illegible] Bremen Clause I	3 70	3 [illegible]0	[illegible]	[illegible]	[illegible]
Fine Oomra Standard I Bremen Clause II	4 60	4 [illegible]	[illegible]	[illegible]	

APPENDIX A—II. *(continued)*.

—		January to March, 1933.	January to March 1934	January to March, 1935.
Pig iron	**Total**	**184,801**	**222,824**	**100,740**
Share : British India ...	...	27,445	30,036	—
France	...	43,730	61,697	22,873
Sweden	...	23,284	39,497	37,656
Saar Territory ...	...	19,711	32,683	16,342
Tin ... ... (raw)	**Total**	**33,693**	**39,273**	**31,956**
Share : British India ...	...	7,757	3,772	1,509
Dutch Indies ...	...	10,755	15,817	15,087
Netherlands ...	...	2,618	4,748	3,789
Manganese	**Total**	**339,033**	**465,024**	**461,360**
Share : British India ...	...	102,976	15,407	35,573
Soviet Russia ...	...	206,809	391,347	279,287
British West Africa	...	—	15,986	39,299
British South Africa	...	—	—	56,823
Nickel ore	**Total**	**66,554**	**130,588**	**91,560**
Share : British India ...	...	2,995	8,984	14,199
Greece	...	60,960	107,493	60,096
Canada	...	—	11,582	16,236
Wolfram ore	**Total**	**9,798**	**9,402**	**16,892**
Share : British India ...	...	2,980	1,959	2,885
China	...	6,061	6,306	9,519
Mica	**Total**	**1,058**	**1,810**	**2,693**
Share : British India ...	...	926	1,110	1,870
Paraffin wax	**Total**	**33,920**	**43,166**	**65,253**
Share : British India ...	...	2,697	6,019	6,425
U.S.A.	..	27,244	30,231	28,232
Soviet Russia ...	..	688	3,229	20,610

APPENDIX B

Prices of Principal Indian Commodities Quoted on Hamburg Bremen Exchanges during different periods of the Year

—	April, 1934	July, 1934	October, 1934	January, 1935	March, 1935
Oils (Hamburg, in Marks per 100 kilos)					
Linseed	26¼	—	30½	—	—
Groundnut	19	—	27½	—	—
Cocos	18	—	—	—	—
(Hamburg in £ per 1010 Kilos)					
Castor	27½ 25½	29-27	31-29	35-32	35-33
Oilcakes (Hamburg, in Marks per 50 kilos)					
Cocos	8 20-25	8 85	9 -/9 10	—	—
Palm	7 05-15	7 85	8 -/8 05	—	—
Linseed	8 25-30	9 40	7 60-70	—	—
Rape	7 05-10	7 25	6 70	—	—
Groundnut	7 90-8 -	9 40	9 10	—	—
Oilseeds (London, in £ per ton)					
Linseed	11¼	11⅞	11⅛	12	11¼
Groundnuts (Coromandel)	8¼	8 11/16	11½	14½	14⅛
Palmkernels (Liverpool)	6⅝	6⅝	7¾	9⅜	9½
Castorseed	8⅝	9¾	10¼	12½	11½
Spices (Hamburg in Marks per 100 kilos, duty unpaid)					
Pepper, black Lampong	58	60	110	250	190
do. white Muntok	93	120	225	440	315
Cinnamon	68-90	90-143	101-170	260-285	240-315
Cotton (East Indian Hamburg in pence per lb.)					
Superfine mgd Scinde, white roughish Bremen Clause I	3 70	3 70	3 60	4 12	4 05
Fine Oomra Standard I, Bremen, Clause II	4 50	4 50	4 55	5·35	5 55

APPENDIX B (*continued*).

—	April, 1934.	July, 1934.	October, 1934.	January, 1935.	March, 1935.
Cotton (*Liverpool, in pence per lb.*).					
American Universal Standard *Middling*	6·30	6·90	6·93	7·07	6·87
Egypt, Sakellaridis ...	8·55	8·40	8·10	8·97	8·65
M.G. Surtee F.G.	5·45	6·10	6·04	6·65	6·46
M.G. Broach F.G., good staple	4·65	5·16	5·14	5·84	5·78
M.G. *Punjab - American F.G., good staple* ...	4·80	5·35	5·37	5·90	5·70
Central Provinces, Oomra No. 1, staple superfine...	4·85	5.45	5·15	5·95	5·94
Bengal F.G.	3·49	3·65	3·25	4·02	3·90
Bengal F.G., *superfine* ...	3·69	3·85	3·45	4·22	4·10
Shellac (London, in shillings per cwt.).					
T.N. Orange	90/6	104/-	91/-	80/-	68/-
Shellac (Hamburg, in marks per 100 kilos)					
T.N. Orange	136–150	—	220–230	200–220	—
Button lac...	145–176	—	250–290	240–280	—
Jute (*London, in £ per ton*).					
First Marks	16 1/16	14½	14¾	17½	16½
Inferior Marks	14¾	13⅜	13¼	15⅝	15¼
Tea (London, in pence per lb.).					
Pekoe	13–15¾	11½–13	9½–16	10¼–12¼	9½–15½
Broken Pekoe	13–17½	11¼–13	9½–13½	10½–15½	9½–23
Orange Pekoe	12½–23	11½–17¼	10½–33	10½–26½	9½–26
Broken Orange Pekoe ...	12–26	11½–18	9½–33	10½–30½	10–35
Indian Northern	14·50	12·90	13·08	11 60	11·52
Indian Southern	14·35	12·60	11·62	11·55	12·60
Ceylon	15.15	13·00	13·84	13·30	15·70
Java	12·80	10·50	10·19	10·10	9·40
Sumatra	12·10	11·00	9·76	9·25	8·45

APPENDIX B (*continued*)

—	April 1934	July 1934	October 1934	January 1935	March 1935
Rice (Hamburg in Marks per 50 kilos duty paid incl Monopoly tax)					
Burma L.R O	10 1	[illegible]			
Bassein 00 0 polished	11 00	[illegible]	[illegible]		
do 0000 polished	12 00	[illegible]	11		
Arracan 00 000	11 30	[illegible]	[illegible]	[illegible]	
Siam 000 polished	13	[illegible]	[illegible]	[illegible]	11
do 0000 polished	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Moulmein	13 00	[illegible]	[illegible]		[illegible]
Broken I	8 0[illegible]	14	[illegible]		
Broken II	8 [illegible]		[illegible]		
Extra fancy blue rose polished		—		[illegible]	
Italian 6 0	10 50	[illegible]			
Patna 000	10 00	[illegible]	[illegible]		
Rangoon R/O	1[illegible] 3[illegible]	[illegible]			
German Public Rice, dry	10·00			[illegible]	
do polished	9 1[illegible]				[illegible]
Extra Fancy Mexican long grain polished	9 1			[illegible]	10
	9 1 0			11	[illegible]
Calcutta Kips (12 lbs standard in pence)					
[illegible] D.S	5[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] D D	4[illegible]	4[illegible]	4[illegible]	4[illegible]	4[illegible]
[illegible] R D	3[illegible]	3[illegible]	3[illegible]	[illegible]	3[illegible]

APPEN

Prices of Principal Indian Commodities Quoted on

—	January, 1935. 1st week.	2nd week.	3rd week.	4th week.
Oils (Hamburg, in Marks per 100 kilos).				
Linseed	not quoted			
Groundnut..	not quoted			
Castor Oil (in £ per 1016 kilos)	32–10–0 30–10–0	34–32	$34\frac{1}{2}$ $32\frac{1}{2}$	37–35
Oilcakes (Hamburg, in Marks per 50 kilos, including Monopoly tax).				
Cocos	not quoted			
Palm	not quoted			
Linseed	not quoted			
Rape	not quoted			
Groundnut	not quoted			
Oilseeds (London, in £ per 1016 kilos).				
Linseed (Calcutta)	$11\frac{5}{8}$	$11\frac{13}{16}$	$12\frac{1}{4}$	$12\frac{1}{2}$
Groundnuts (Coromandel)	$13\frac{3}{4}$	$13\frac{1}{2}$	$15\frac{3}{4}$	$14\frac{9}{16}$
Palmkernels (Liverpool)	$8\frac{3}{4}$	$8\frac{3}{4}$	$9\frac{7}{8}$	$9\frac{11}{16}$
Castorseed	$11\frac{3}{8}$	12	$12\frac{1}{2}$	$13\frac{1}{2}$
Spices (Hamburg, in Marks per 100 kilos, duty paid).				
Cinnamon (Ceylon)	—	248–275	270–300	270–300
Pepper, black Lampong	—	226	270	270
Pepper, white Muntok	—	405	438	475
Cotton, East Indian (Hamburg, in pence per lb.).				
Superfine mgd Scinde white roughish Bremen clause 1.	—	4·15	4·10	4·10
Fine Oomra Standard 1 Bremen clause II..	—	5·35	5·30	5·40
Cotton, (Liverpool, in pence per lb.).				
American Universal Standard Middling	—	7·09	7·10	7·05
Egypt. Sakellaridis	—	8·95	9·03	8·96
M.G. Surtee F.G.	—	6·64	6·64	6·67
Broach F.G. good staple .. .	—	5·81	5·85	5·86
M.G. Punjab-American F.G. good staple	—	5 85	5·87	5·94
Central Province Oomra No. 1, staple superfine..	—	5·91	5·99	6·04
Bengal F.G.	—	3·88	4·02	4·07
Bengal F.G. superfine	—	4·08	4·22	4·27
Sind F.C.	—	3·88	4·02	4·07
Sind F.C. superfine	—	4·08	4·22	4·27

DIX C

BREMEN/HAMBURG EXCHANGES JANUARY MARCH, 1935

February, 1935				March, 1935			
1st week	2nd week	3rd week	4th week	1st week	2nd week	3rd week	4th week
	not quoted				not quoted		
3[illegible] 35	37–35	36–34	36–34	35 33	35 33	35–33	35–33
	not quoted				not quoted		
$11\frac{3}{4}$	$11\frac{3}{4}$	$11\frac{3}{4}$	$11\frac{1}{2}$	$11\frac{5}{16}$	$11\frac{5}{16}$	11	$11\frac{1}{8}$
$14\frac{11}{16}$	$15\frac{1}{16}$	$15\frac{5}{16}$	15	$14\frac{11}{16}$	$14\frac{3}{8}$	13	$14\frac{1}{8}$
$9\frac{3}{16}$	$9\frac{1}{8}$	$9\frac{13}{16}$	$10\frac{1}{16}$	$10\frac{1}{8}$	$9\frac{15}{16}$	$8\frac{3}{4}$	9
$13\frac{1}{4}$	$12\frac{5}{8}$	$12\frac{1}{4}$	12	$11\frac{1}{2}$	$11\frac{5}{8}$	$11\frac{1}{2}$	$11\frac{1}{2}$
295–330	285–330	285–330	275–320	2[illegible]0–320	270–320	250–310	170 320
300	205	220	230	206	192	190	170
425	400	400	400	360	390	295	280
4·05	4 15	4 10	4 15	4 15	4 05	3 95	4 00
5 40	5·65	5 60	5 65	5 65	5 55	5 45	5 50
7·07	7 09	7·05	7 06	7 14	7 02	—	6 45
8 [illegible]	8 82	8 83	8 66	8 88	8 72	—	8 32
6 61	6 63	6 69	6 67	6 73	6 58	—	6 08
5 85	5 87	5 92	5 91	5 97	5 87	—	5 50
5·93	5·95	6 00	6 06	6 12	6 06	—	5 56
6·03	6 03	6 08	6 07	6 15	6 02	—	5 64
4·06	4·06	4·04	3·98	4 00	3 81	—	3 65
4 26	4·26	4 21	4 18	4 20	4 01	—	3 85
4·0[illegible]	4·06	4·04	3 98	4 00	3 81	—	3 65
4·26	4·26	4 24	4 18	4 20	4 01	—	3 85

(continued)

	February 1935				March, 1935			
	1st week	2nd week	3rd week	4th week	1st week	2nd week	3rd week	4th week.
	6[illegible]	6[illegible]	[illegible]	[illegible]/-	68/-	68/-	68/-	(per May) 44/-
	—	—		—	—	—	—	—
	—	—		—	—	—	—	—
	1[illegible]		17	16⅜	16⅞	16⅝	16⅝	16$\frac{13}{16}$
	15½	[illegible]	15½	14⅞	15½	—	15$\frac{5}{16}$	16¼
10-[illegible]	[illegible]	9¼-15¾	9¼-15¼	10-15	9¼-16	9¼-17¼	9¼-15⅝
10[illegible]-31	[illegible]	10-20¾	10-30¾	10-25¼	9¼-24½	9¼-23¾	9¼-19¼
10[illegible]-55	45	10-22¾	9¼-22	9¼-34½	10-25	9¼-30	9¼-14½
10[illegible]-40	[illegible]60	10-27	10¼-34	10-36	10-28	10-43	9½ 32½
12 33	[illegible]2 02	11 83	—	11 69	11 95	11 83	11 10
11 6[illegible]	11 50	11 31		12 12	12 20	13 54	12 74
3[illegible]	14·00	13 91	—	14 77	15 25	16 06	16 80
8[illegible]	8 91	8 36	—	8 40	8 72	8 85	8 25
9[illegible]	9 51	9 44	—	9 43	9 62	9 24	9 31
40	12 40	—	12 40	12 40	12 40	—	—
	—	—	—	—	—	—	—
5	11 65	—	11 55	11 55	11 55	—	—
0	12 70		12 70	12 70	12 70	—	—
	—		—	—	--	—	—
				—	—	—	—
[illegible]	12 50	—	12 50	12 60	12 50	—	—
	10 85		10 85	10 85	10 85	—	—
	11 10	—	11 10	11 10	11·10	—	—

—	January, 1935.			
	1st week.	2nd week.	3rd week.	4th week
Shellac (London in shillings per cwt.).				
T.N. Orange	85/-	82/-	81/6	72/6
Shellac (Hamburg, in Marks per 100 kilos ex warehouse Bremen).				
T.N. Orange	200–220	200–220	—	—
Button lac	240–280	240–280	—	—
Jute (London in £ per ton).				
First marks	17½	18	17¼	17¾
Inferior marks	15¾	16	15⅜	15¾
Tea (London, in pence per lb.)				
Pekoe	10¼–12¼	10½–11¼	10¼–11¼	10¼–14¼
Broken Pekoe	10½–13½	10¾–12	10½–21	10⅜–16¼
Orange Pekoe	10¼–13¾	10½–19½	10½–38	10½–36½
Broken Orange Pekoe	10½–29½	10½–28½	11–33	10¾–31
Indian Northern	11·35	11·31	11·65	12·11
Indian Southern	11·34	11·42	11·76	11·71
Ceylon	12·82	12 97	13·37	13 68
Sumatra	9·33	9·15	9·26	9·25
Java	10·18	10·12	10·06	10·04
Rice (Hamburg, in Marks per 50 kilos, including taxes, duty paid).				
Arraccan 00/000	—	—	—	12·40
Moulmein 000	—	—	—	15·20
Burma L.R.O.	—	—	—	—
Bassein, 00/0 polished	—	—	—	11·55
Bassein, 0000 polished	—	—	—	12·70
Siam 000	—	—	—	—
Siam 0000	—	—	—	—
Italian 6/0 polished	—	—	—	12·50
Public rice, dry	—	—	—	10·85
Public rice, polished	—	—	—	11·10

(continued)

February, 1935				March, 1935.			
1st week	2nd week	3rd week	4th week	1st week	2nd week.	3rd week.	4th week.
68/-	68/-	68/	68/-	68/-	68/-	68/-	(per May) 44/-
—	—	—	—	—	—	—	—
—	—		—	—	—	—	—
17[illegible]	[illegible]	17	16⅞	16⅞	16⅞	16⅝	16 15/16
15[illegible]	[illegible]	16½	14⅞	15⅛	—	15 5/16	15¼
10–26[illegible]	10 [illegible]	9¾–15¼	9¾–15¼	10–15	9¼–16	9¼–17¾	9¼–15⅞
10½–31½	[illegible]	10–20¾	10–30¼	10–25½	9½–24½	9½–23¾	9¼–19¾
10½–35	[illegible]–45	10–22¾	9¼–22	9½–34½	10–25	9¼–30	9¼–14½
10½–40	10–50	10–27	10¼–34	10–36	10–28	10–43	9½–32½
11 33	12 02	11 83	—	11·59	11 95	11 33	11 10
11 [illegible]	11 50	11·31		12 12	12 20	13 54	12 74
13·[illegible]	14·00	13 91	—	14·77	15 25	16 06	16 80
8 [illegible]	8·91	8 36	—	8 40	8 72	8 35	8 25
9 [illegible]	9 51	9 44	—	9·49	9 62	9 24	9·31
[illegible]40	12 40	—	12·40	12 40	12 40	—	—
[illegible]	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
[illegible]1 55	11 55		11·55	11·55	11·55	—	
[illegible]2 70	12 70	—	12 70	12 70	12 70	—	—
—	—	—	—	—	--	—	—
—	—	—	—	—	—	—	—
[illegible]1 50	12 50	—	12 50	12 50	12 50	—	—
[illegible]0 85	10 85		10 65	10 85	10 85	—	
[illegible]1·10	11·10	—	11·10	11·10	11·10	—	—

CALCUTTA KIPS.

January to March, 1935.

M.D.S. (12 lbs. Standard)—

January February March	.. .. ..	6*d*.

M.D.D. (12 lbs. Standard)—

January February March	.. .. ..	$4\frac{7}{8}$*d*.

D.R.D. (12 lbs. Standard)—

January February March	.. .. ..	$3\frac{7}{8}$*d*.

APPENDIX D.

Summary of Regulations Governing Compensation Trade With Germany.

Comp[illegible]nsation business in general is transacted along the lines given below.—

(1) In regard to the importation of the following commodities compensation business is permitted in the proportion of 100 100, i e, the values of the imports and exports may balance each other equally, even if scrip marks have been allotted in connection with the exports —

> Cotton, wool, sisal hemp, jute, Manila hemp, coir yarn and fibre, hides and skins (if required for leather manufacturing), *rubber, balata, guttapercha*, non-precious metals (except iron), *all* ores, rice, coffee and oilseeds

(2) For the importation of all other goods the question of the proportion which imports have to bear to compensatory exports will be determined in each *particular case* by the competent control office *The proportion* will probably vary according to the import necessity of the particular raw material at any given time, and, where a raw material is urgently required at any given time, *facilities will* be granted for the importation of that raw material The control *authorities* may permit the importation of any raw material on a *compensation* basis *without* demanding that the imports should be higher *in* value than the exports, if there is an urgent demand *for such* raw material If the exporter utilises scrip marks in financing his exports, then the amount of scrip will be added to any *surplus* amount demanded by the control authorities in regard to the imports which are being compensated by the exports For example the control authorities permit the importation of a parcel of tea valued at £100 to be *compensated* against German exports valued at £130 Then, if scrip to the value of £20 has been allotted in connection with the exports this £20 will be added to the £130 by the control authorities, *and* the final result will be that tea for £100 must be compensated against German exports to the value of £150

(3) In the case of German exports which are to compensate the imports of raw materials, it is essential that these exports should go to the same country from which the [illegible] Indian raw materials imported into Germany [illegible] by German exports to India and not to any [illegible]